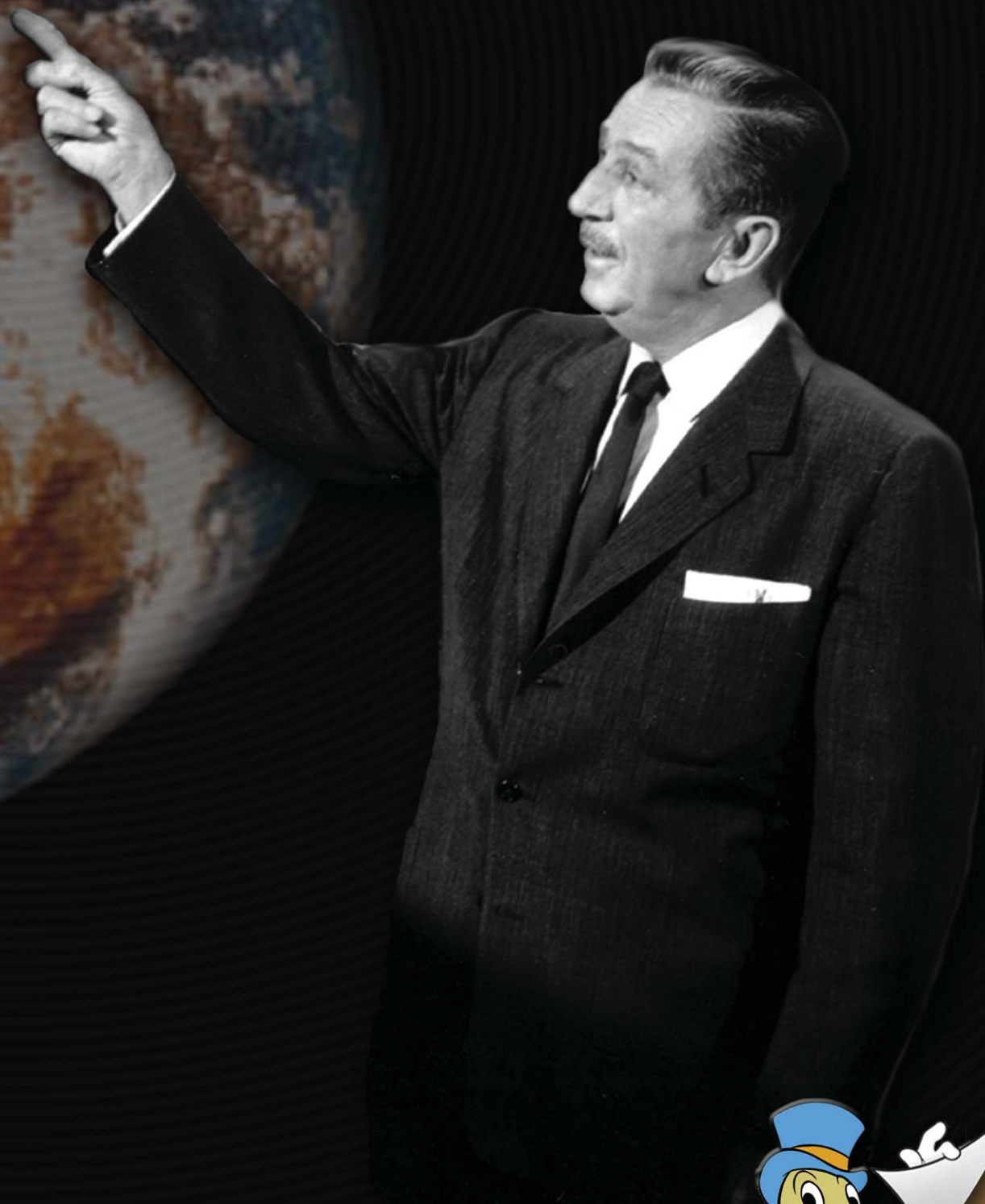


Disney's Enviroport 2001

a year in review



"Let Your Conscience Be Your Guide..."



Disney's Enviroport

a year in review 2001

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Disney's Enviroport is an annual report produced by the Environmental Policy Department of The Walt Disney Company. The publication highlights significant accomplishments in the area of Disney's Environmental Policy.

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A Letter from Kym

Throughout 2001, we have celebrated 100 Years of Magic in recognition of the birth of Walt Disney. As we reflect on Walt's legacy and his amazing ability to inspire creativity, we recall the environmental ethic he developed within the Company. Through educational programs and personal example, Walt stressed the need to be aware of the critical balance between nature and mankind. Demonstrating his environmental insight, he once stated the following:

"You've probably heard people talk about conservation. Well, conservation isn't just the business of a few people. It's a matter that concerns all of us. It's a science whose principles are written in the oldest code in the world, the laws of nature. The natural resources of our vast continent are not inexhaustible. But if we will use our riches wisely, if we will protect our wildlife and preserve our lakes and streams, these things will last us for generations to come."

—Walt Disney

Walt's vision of combining environmental stewardship with his quest for quality entertainment and profitable growth was realized most dramatically through the development of the Walt Disney World Resort. This work in progress is a shining example of a corporation's ability to combine business acumen with strong environmental ethics. The impact of Walt's concern for the environment didn't stop with Walt Disney World; his desire to protect our resources is evidenced in every facet of our complex organization. For example, consider the following:

- Jiminy Cricket's Environmental Challenge has touched more than 390,000 students in California and Florida.
- In 2001, Earth Month VoluntEAR projects contributed more than 4,500 hours to the community.
- Since 1990, the Walt Disney World Resort has implemented energy conservation initiatives resulting in annual savings of more than \$5 million.
- The Walt Disney Company has recycled more than 551,000 tons of materials in 10 years.
- Since 1993, The Walt Disney Company has received more than 50 awards in recognition of environmental contributions.
- The Company's commuter assistance programs save more than 500,000 automobile trips and 225,000 pounds of pollution annually.*

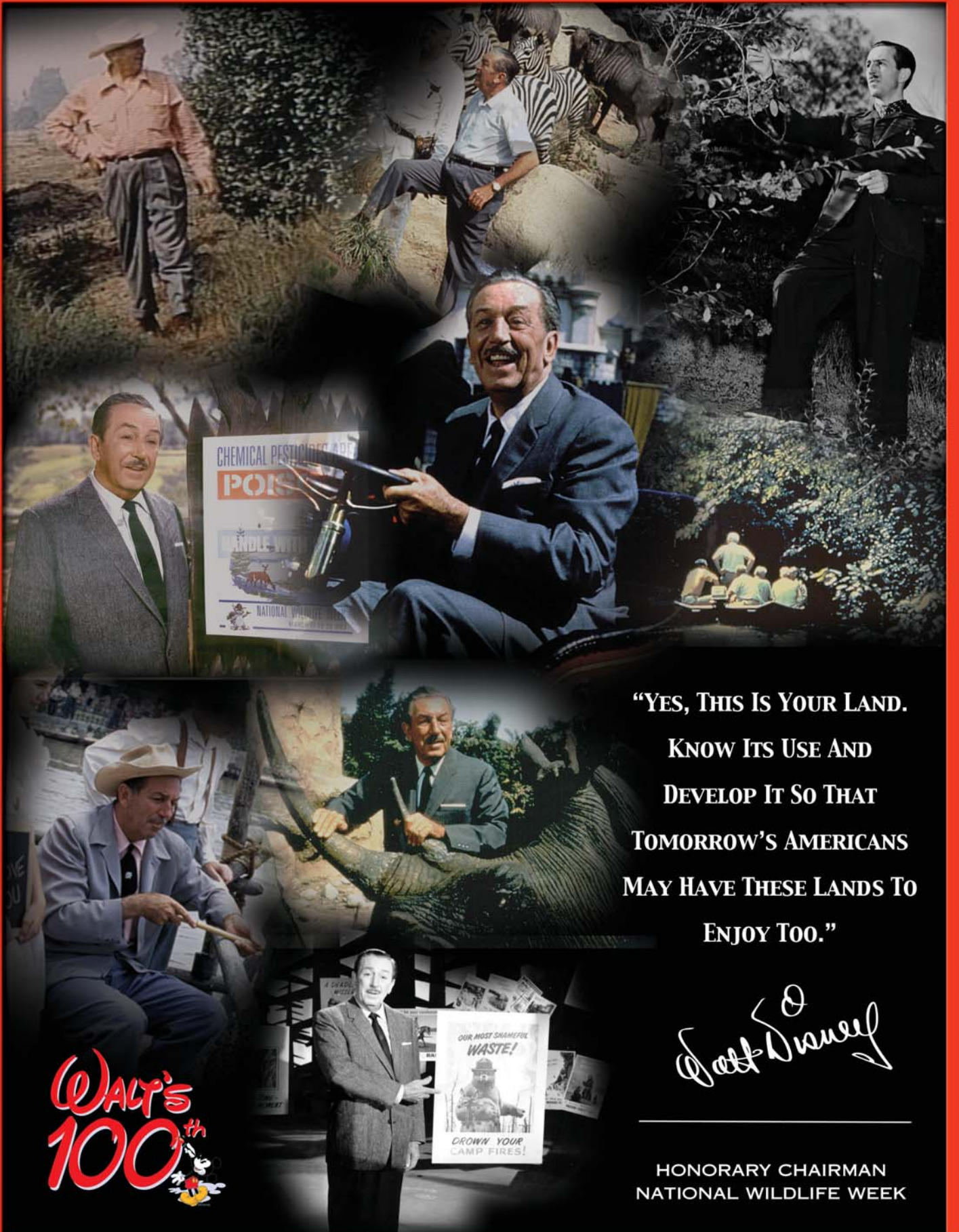
Cast Members and employees throughout the Company continue to make a difference every day. This edition of *Disney's Enviroport 2001* is a tribute to the many people behind the magic of *Environmental Policy* — a fundamental ethic of The Walt Disney Company.

Congratulations!



Kym Murphy
Corporate Vice President
Environmental Policy

*As compared to driving alone.



“YES, THIS IS YOUR LAND.
KNOW ITS USE AND
DEVELOP IT SO THAT
TOMORROW’S AMERICANS
MAY HAVE THESE LANDS TO
ENJOY TOO.”

Walt Disney

HONORARY CHAIRMAN
NATIONAL WILDLIFE WEEK

**WALT'S
100th**



The Walt Disney Company Environmental Policy

Waste Minimization at El Capitan Theatre

The El Capitan Theatre, built in 1926, is a movie palace located in the heart of Hollywood. Exquisitely restored, the theatre seats more than 1,000 guests and is home to many of Disney's spectacular movie premieres, including *Toy Story*, *Tarzan*, *Dinosaur*, *Monsters, Inc.*, and *Disney's Atlantis*.

In May 2000, the El Capitan team was negotiating a new waste hauling contract that would also include recycling. Faced with the challenge of short turnaround times between shows, Cast Members were not able to pre-sort recyclables from the trash. Through research, the El Capitan team found a local waste hauler with the capability to sort and separate recyclable materials from trash at their Materials Recovery Facility (MRF).

While most MRFs recover traditional recyclables such as office paper, cardboard, and beverage containers, the El Capitan Theatre's waste stream also includes paper popcorn bags, paperboard food and drink trays, candy wrappers, and popcorn. Fortunately, the waste hauler had a compost facility that allowed them to recover many of these items. Since the program's inception in May 2000, the El Capitan team has recycled more than 46,000 pounds of material, diverting approximately 17% of the monthly waste to composting.

Cast Members at the El Capitan Theatre were successful in other areas of recycling, as well. For example, obsolete ticket stock is now collected and discarded into shredding containers to be recycled with other paper material. The team also diverted nearly 2,000 pounds of unused plastic cups and popcorn buckets from the landfill by donating them to various children's events.

To celebrate Earth Day 2001 and to increase awareness about El Capitan Theatre's waste minimization efforts, unique window clings were designed to communicate "We Recycle Here" and "We've Got Environmentality." These are now proudly displayed at the entrance doors.

Energy conservation is another important component of minimizing waste, and El Capitan is a charter member of the *Green Power Program*, sponsored by the Los Angeles Department of Water and Power. Through this program, a percentage of the theatre's electricity is generated from renewable resources.

The El Capitan team successfully enhanced waste minimization efforts this year, earning a California EPA WasteWise Program Champion Award and a California Integrated Waste Management Board WRAP (Waste Reduction Awards Program) Award.



Environmental Policy and El Capitan Theatre Cast Members celebrated receiving the 2001 Waste Reduction Award.

West Coast Initiatives

►► Donations & Reuse

Environmentality can have a dramatic effect on a company's bottom line. In the year 2000, for example, Disney avoided more than \$23,000 in disposal charges by diverting nearly 500,000 pounds of materials from the landfill.



Feature Animation redistributed wood boxes for use in future Studio productions.

Through donation, reuse, and recycling programs, a Feature Animation warehouse team diverted nearly 85% of their obsolete items from the landfill. These items, with a combined weight of 88,000 pounds, included computers, metals, industrial tile, and electronics. In addition, a nonprofit clearing house for school and office supply donations coordinated a monthly pickup from the Studio Warehouse, allowing the Company to avoid sending even more items to the landfill while benefiting area schools.

Global Initiatives

►► Clean Air Car Loan

In an effort to encourage Cast Members and employees to consider purchasing alternative fuel vehicles, The Walt Disney Company Environmental Policy Department, Partners Federal Credit Union, and Vista Federal Credit Union developed the "Clean Air Car Loan." This special incentive provided Members a 0.25% discount on a car loan if they purchase a qualifying "Clean Air Car."



►► Toner Cartridges & Green Top Paper

Purchasing initiatives led to annual savings of more than \$750,000 through procurement of recycled office supplies. Among the office supply items most commonly purchased by our Company are printer toner cartridges and office copy and printer paper; these two items alone comprise about 45% of our office supplies. As a result of key research and negotiations between The Walt Disney Company and Office Depot, Disney now purchases recycled toner cartridges and recycled-content copy paper. Purchasing toner cartridges that have been reman-

ufactured provide significant savings to the Company. Recycled-content copy paper has traditionally been much more expensive than virgin paper and, therefore, difficult to acquire. Thanks to newly available "Green Top" copy paper, the Walt Disney World Resort, The Walt Disney Studios, and Corporate sites now purchase recycled-content office paper at a very slight premium. Both the toner and paper products have been tested extensively, and the quality meets and in some cases exceeds that of previously used products.



ABC in New York hosted an Earth Day fair.

New York

▶▶ America Recycles Day

PUBLIC SERVICE ANNOUNCEMENTS

In honor of America Recycles Day, celebrated nationally November 15, ABC worked with a New York State committee to air celebrity endorsed Public Service Announcements through ABC owned and operated stations, as well as affiliate stations.

TRADE SHOWS

Various ABC sites hosted special events that provided employees an opportunity to meet ABC vendors who recycle materials including polystyrene, fluorescent bulbs, and toner cartridges. Educational handouts and promotional items were available to highlight this year's theme, "A Great Time to Renew Our Commitment to Recycling." In 2000, more than 3 million people participated in America Recycles Day events around the country.

▶▶ Earth Day

ABC-owned television and Radio Disney stations throughout the country celebrated Earth Day with special messages, programs,

and community events, including:

- Community and employee educational fairs.
- Children's interactive events, special promotions, and art contests.
- 5K Walk fundraising events supporting various organizations, such as The Como Zoo and Conservatory in Minneapolis.
- Park cleanup events.

▶▶ Community Achievements

NEW YORK HIGH SCHOOL OF ENVIRONMENTAL STUDIES

The ABC Risk and Environmental Management Department in New York worked with the local High School of Environmental Studies to provide support for their Advisory Board, student internships, and educational programs. In addition, ABC donated computers, general supplies, and funding for special events and programs.

An intern was selected from the High School of Environmental Studies to assist ABC in developing a new system of educating employees about proper recycling proce-

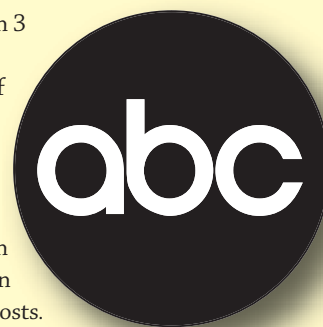
dures. Once completed, the project will provide educational tools and new labels for all of their recycling containers.

▶▶ Recycling Accomplishments

During the year 2000, ABC diverted more than 3 million pounds of materials from the landfill, avoiding more than \$70,000 in disposal costs.

Some of the materials recycled included the following:

- 1,000,000 pounds of paper
- 15,000 pounds of food waste
- 40,000 pounds of videotapes
- 523,000 pounds of wood



Los Angeles



[1] ABC Television Center Hollywood hosted their annual Earth Day fair showcasing environmental products and services. [2] ABC Daytime shows *General Hospital* and *Port Charles* reused or recycled 85% of the sets. In addition, ABC Touchstone Television has one of the largest sets of recycled scenery in Los Angeles.

WATER CONSERVATION

In Florida, most potable water is supplied by the Florida aquifer. This natural water source is recharged by rainfall, but unusually dry conditions during the past three years have resulted in a significant reduction of available water for aquifers and lakes.



Walt Disney World horticulture teams operate equipment that uses reclaimed water for Resort landscaping.

In January 2001, the South Florida Water Management District declared a Phase II Severe Water Shortage for parts of South Florida, including some sections of the Walt Disney World Resort. Restrictions put in place included reducing potable (drinking) water consumption by 15% as compared to usage in 2000.

In order to meet this goal, several groups partnered with the Environmental Initiatives Department and Reedy Creek Energy Services to identify methods of reducing potable water usage. Many areas converted potable water lines to supply reclaimed water, which was already being used to irrigate most of the property, including 53% of the Parks and 100% of the golf courses.

Additional uses of reclaimed water now include the following:

- Cooling towers
- Cleaning streets and sidewalks in the Parks
- Bus washing
- New irrigation lines at Old Key West and Port Orleans

Many areas also implemented methods to reduce the overall use of water:

- Changed the frequency of landscape irrigation
- Implemented audits of water use in localized areas
- Turned off all non-recirculating fountains

Although rainfall did increase during the last half of the year, allowing some water restrictions to be lifted, many of the changes implemented to reduce water consumption will provide considerable savings for years to come.

In total, the Resort reduced potable water consumption by 2 billion gallons of water compared to the prior year.

Cooperation between the Downtown Disney Marketplace the Environmental Circle of Excellence and local business units led to increased environmental awareness and proactive support for a variety of programs and activities:

- Expanded traditional recycling programs to include merchandise packaging, such as paper, polystyrene, and shrink-wrap.
- Reduced the costs associated with waste disposal by decreasing the volume and weight of solid waste generated.
- Transformed a storage closet at World of Disney into an Environmental Resource Center, where Cast Members can access training and display materials and share information with fellow teammates.
- Established an Environmental Hotline specific to Downtown Disney that Cast Members can access to learn environmental tips and hear about special events in their area.
- Hosted "Meet & Greet" sessions to showcase environmental efforts and best practices.
- Recognized business units that have excelled in Environmental with monthly awards presented by area executives.

RECYCLED PLASTIC LUMBER

The Liberty Square bridge in the Magic Kingdom Park provides an entrance into the colonial past, but also represents how modern technology can benefit the environment. The bridge over which Guests, Cast Members, and parade floats travel has traditionally been wooden, but is now constructed of boards made of a recycled plastic lumber product consisting of half post-industrial wood, such as reclaimed wooden pallets, and half recycled polyethylene plastic, such as grocery bags.

Ipe, a hardwood that comes from remote parts of Brazil and Africa, was previously used to construct the bridge. While *Ipe* is very sturdy, the Liberty Square bridge supports more than 13 tons of floats during the daily Magic Kingdom Parade. Consequently, wood planks on the bridge re-

quired replacement every three years.

Since *Ipe* wood was also becoming more expensive and difficult to obtain, the Magic Kingdom Engineering team partnered with Walt Disney Imagineering and Ride & Show Engineering to research a new product. Applied Technology at Ride & Show Engineering suggested the recycled plastic lumber since it was already being used in other areas.

Durability and show quality also played important roles in the decision to use plastic lumber for the bridge. Tests have shown that the product withstands weight, temperature, and traffic with very little impact. Subsequently, the new bridge has required very little maintenance.



1

[1] The deck of the Liberty Square bridge is made from a recycled material composed of wood and plastic. There are more than 1,400 plastic lumber products on Walt Disney World property, including benches, high chairs, and lifeguard stands.

[2] New hand dryers tested to minimize paper towel waste dry hands in less than 12 seconds, three times faster than conventional dryers.

[3] Walt Disney World merchandise locations use a 100% recycled packaging material that costs less than bubble wrap. As a result, use of bubble wrap has declined by 21% since 1999. New merchandise locations are equipped with On Stage machines that make it more efficient and convenient for Cast Members to use the product.



Gourmet Pantry Cast Members recognized for new recycling program.



2



3

Like every community in America, the Disneyland Resort is faced with environmental challenges that must be managed responsibly. Home to restaurants, shops, complex mechanical systems, and maintenance facilities, the Resort bears many similarities to a small city. In addition, a resident population of Cast Members and Guests create their own impact on the environment. The Disneyland Resort is in the business of mitigating these impacts every day.

Stormwater and Wastewater Compliance Discharge

The Disneyland Resort is required to comply with Industrial Waste Discharge Requirements under the National Pollutant Discharge Elimination System (NPDES) Program. With a full-service gas station, fire department, maintenance shops, and dozens of restaurants, the Resort resembles a city more than an industrial site. The storm water program encompasses many best management practices (BMP) to meet discharge specifications detailed in the permit. These range from non-structural BMP, such as good housekeeping and preventative maintenance, to structural BMP, such as overhead coverage and secondary containment structures.

Despite an excellent compliance record, the Resort continued to pursue a proactive approach to storm water management. Partnering with Walt Disney Imagineering Research & Development, new in-line storm drain devices were installed throughout Disney's California Adventure and Downtown Disney enhancing the reduction of pollutants in water discharged to storm drains.



Grizzly River Run at Disney's California Adventure park is part of a closed loop system that provides water for three separate attractions and includes a water treatment process to promote Guest safety.

▶▶ Enhancing Show Quality

During Resort expansion, controllers were installed to monitor and control water attractions 24 hours per day. The new equipment provides data every six minutes allowing engineering teams to maximize efficiency of the system.



New controllers help fine-tune chemical additions, creating the "perfect" California coastline at Paradise Pier.

▶▶ Alternative Packaging

Disneyland Resort merchandise locations installed more than 50 new machines to provide Guests with a 100% recycled-content packaging material. Benefits of using this product included lower cost and less storage space as compared to bubbled wrap. In addition, the Environmental mascot, Jiminy Cricket is portrayed on the packaging material.



Pictured above are equal amounts of bubble wrap (left) and the recycled-content packaging material (right).

RECYCLING

The Disneyland Resort continued to focus on resources that improve recycling procedures. For example, recycling audits were developed for Operating Participants at Downtown Disney. By working closely with the Environmental Affairs Department to identify opportunities for improvement, these areas can increase recycling rates, subsequently decreasing disposal costs.

The Resort also developed an aggressive strategy to collect batteries. In December 2001, battery collection sites were identified where Cast Members could recycle "Universal Waste," including alkaline and carbon-zinc (common "household-type" batteries), mercury, nickel-cadmium, silver button, and small sealed lead-acid batteries.

OUR ENVIRONMENTALITY PLEDGE



Disney Cruise Line®

The Cast and Crew of *Disney Magic* and *Disney Wonder* recognize the value and beauty of the ocean as an environment where we are all guests.

We will do our best to minimize our impact on this magnificent ecosystem by practicing responsible waste management and good stewardship of our ecosystems, something we call *Disney's Environmentality*.

DISNEY CRUISE LINE COMMITMENT

Each ship has an Environmental Officer dedicated to environmental training, compliance, and waste minimization efforts, including recycling. Environmental committees comprised of representatives from several departments focus on implementing and enhancing environmental practices as part of the Disney Cruise Line commitment to Environmentality. Best practices that result from these meetings are shared among Disney Cruise Line executives and managers.

►► Recycling on the High Seas

Crew Members on board *Disney Magic* and *Disney Wonder* recognize

the importance of preserving the seas on which they live and work. Environmentality programs on board our ships extend beyond legal requirements in several areas, including extensive water treatment systems and a proactive commitment to recycle and minimize waste.

For example, during 2001, Crew Member efforts to sort and recycle materials resulted in the collection of more than 50,000 pounds of aluminum cans.

Proactive recycling on each ship also requires Crew Members to research new ways of recycling on board. For example, to ensure that live shows have

adequate power, the Entertainment Department must dispose of batteries at the end of each show. Recently, garbage handlers tested these batteries in pagers to determine the remaining charge. Now, more than 500 batteries are captured for reuse each month.

►► Guests

While many Guests are fascinated by marine life, such as starfish and sea shells, Castaway Cay helps protect the environment by reminding Guests to "take only memories, leave only footprints." This policy, enforced by Crew Members, prohibits the removal of shells, which are often home to marine life on the island. On board the ships, Guests can support water conservation efforts by using stateroom towels more than once before replacing.

Procedures & Training

Disney Cruise Line also maintains online guidance on the environmental aspects of ship operations. Examples of recent updates to procedures included the following:

- *Marine Species Conservation*, a program that helps protect manatees and right whales in areas of critical habitat.
- Ballast water management to minimize the risks from invasive species.
- Smoke opacity measurement to promote monitoring of air quality and meet objectives to exceed legal requirements.
- Monthly environmental committee meetings to manage and support Company environmental initiatives.
- Partnering with the marine community to broaden environmental issues, an updated Memorandum of Understanding between the cruise industry and the Florida Department of Environmental Protection encourages practices that exceed legal requirements, including new discharge procedures for "wastewater" outside Florida territory.

COMMUNITY RELATIONS

In 2001, Disney Cruise Line sponsored the U.S. Virgin Islands National Park Eco-Camp. This program teaches children about marine and terrestrial ecology on the Islands. While docked in St. Thomas, 50 children were welcomed on board the *Disney Magic* to tour the ship and participate in recognition ceremonies with the ship's Captain and Officers.

Disney Cruise Line VoluntEARS involved Cast and Crew Members from the shoreside and on board teams. In December, Disney Cruise Line hosted the 2nd annual Port Canaveral Shore Cleanup. More than 70 VoluntEARS from Disney Cruise Line, the Port Authority, and United States Coast Guard helped clean the shore and mangroves along the Banana River. Their efforts resulted in collecting several

thousand pounds of garbage and recyclable materials. Additionally, Crew Members from *Disney Wonder* and *Disney Magic* collected money earlier in the year to support their "adopt-an-agency" program that benefited the Archie Carr Center for Sea Turtle Research.



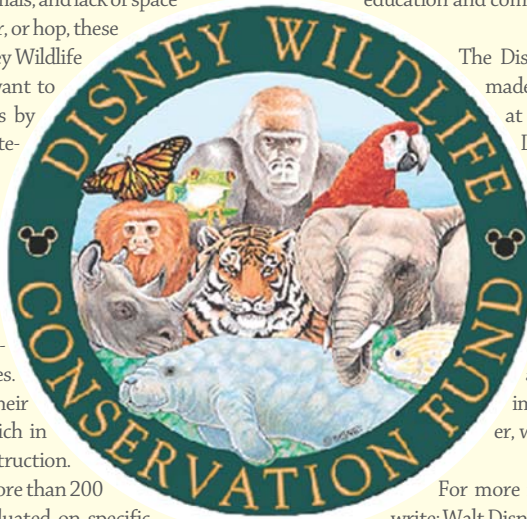
Port Canaveral Shore Cleanup

Disney Wildlife Conservation Fund Focuses on Helping Animals Worldwide

We recognize that challenges facing wildlife today are numerous, including habitat destruction, conflicts between people and animals, and lack of space for both. Whether they swim, fly, crawl, slither, or hop, these endangered animals are the focus of the Disney Wildlife Conservation Fund. As global citizens, we want to help experts create solutions to these issues by providing some of the resources they desperately need.

The Fund, established in 1995, is a global awards program for the study and protection of the world's wildlife and ecosystems. Annual awards are provided to United States nonprofit conservation organizations working alongside their peers in the U.S. and other countries. Many recipient organizations concentrate their activities on "biological hotspots" — areas rich in plant and animal life at risk of imminent destruction. Since its inception, the Fund has supported more than 200 projects in 30 countries. Each project is evaluated on specific criteria, including scientific integrity, magnitude of need, involvement of partner

organizations, ability to impact an area in the near-term, and elements of public education and community involvement.



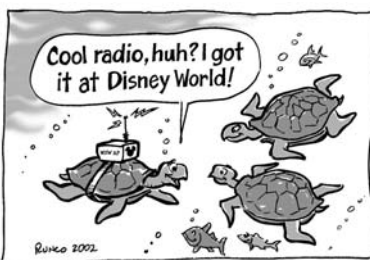
The Disney Wildlife Conservation Fund includes contributions made by Guests visiting the Walt Disney World Resort. Guests at Disney's Animal Kingdom, Disney's Animal Kingdom Lodge and The Living Seas have an opportunity to "Add A Dollar" to their merchandise purchases. One-hundred percent of these Guest contributions are distributed to nonprofit conservation and wildlife organizations. Disney pays all administrative costs and overhead. After seeing the animals in our Parks, many of our Guests are inspired to become more involved in the effort to save our last wild places. The contributions made by Guests also help provide a connection to conservation and an immediate way to impact the wildlife they admire. Together, we are making a difference.

For more information on the Disney Wildlife Conservation Fund, write: Walt Disney World Conservation Initiatives at P.O. Box 10,000, Lake Buena Vista, Florida 32830.

►► TURTLE TRACKS: Where Are They Now?

The Walt Disney World Animal Programs team has been involved in sea turtle rehabilitation for many years. To date, The Living Seas team based at Epcot has cared for and released more than 200 turtles! Most of the turtles that find their way to Walt Disney World are animals that have been rescued by various organizations and come to us with medical challenges. Long periods of exposure to cold water is the biggest problem these turtles face, resulting in many physiological problems and illness. These cold-stunned turtles are rescued, rehabilitated at The Living Seas, and then released under the supervision of the Florida Wildlife Conservation Commission.

Over the years, biologists have been very interested in tracking the migratory and daily patterns of sea turtles. Using satellite telemetry, biologists have learned more about turtle ranging patterns, leading to many new avenues of study. Although this technology provides useful data, it does have some limitations. Given the size of the transmitters, only adult turtles are capable of carrying the additional weight. In addition, the error in accuracy of the



geographic (latitude / longitude) points may be rather high, resulting in transmissions that can be misleading.

This year, Disney Animal Programs Cast Members and the Archie Carr Center for Sea Turtle Research at the University of Florida teamed up to test a new satellite transmitter that is smaller in size. This new technology provided us with the very first opportunity to attach transmitters to two juvenile green sea turtles, which represent the majority of small-sized turtles being rehabilitated by The Living Seas Cast Members.

In September, two turtles were released near Port St. Josephine, Florida, wearing the new transmitters that were programmed to send location points approximately every two days. The goal of this project was to test the new satellite transmitter configuration to gain a better understanding of where rehabilitated juvenile sea turtles spend their time. This technology also provided new and exciting information on the movement patterns of sea turtles with Guests at Disney's Animal Kingdom. Guests now have the opportunity to see satellite transmitters on a "plush" turtle and follow the turtles on a real-time animated loop map displayed in the Wildlife Tracking Center at Rafiki's Planet Watch. Surprisingly, the study found that the turtles stayed relatively close — within 100 miles of their release sites. Approximately two months after release, the transmissions ceased, most likely due to antenna challenges. Fortunately, with each venture into new technology, a little more is learned about the endangered species that surround us.

Disney's Animal Programs Support Endangered Species

During a visit to Disney's Animal Kingdom, you might encounter tiny, black-and-white monkeys called cotton-top tamarins. These unique primates are ambassadors for a broader project involving Disney conservation biologist Dr. Anne Savage. Dr. Savage created Proyecto Tití (Project Tamarin), a multi-disciplinary field conservation program that combines research, education programs and community involvement to make the conservation of natural resources economically feasible



for local communities in Colombia. These efforts result in protecting the very habitat where the only cotton-top tamarins in the world exist. According to Dr. Savage, "Developing effective long-term conservation programs requires more than just scientific studies. It requires a multi-disciplinary approach that combines field research and effective scientific assessments of habitats, as well as community programs that involve

local inhabitants in culturally relevant, action-based programs. Making the conservation of natural habitats and resources economically attractive for local communities will ensure the survival of not only the cotton-top tamarin, but also the native flora and fauna of Colombia. Our goal, therefore, is to use the cotton-top tamarin as the flagship species for the conservation of Colombia's natural resources."



WALT DISNEY Imagineering



A side-by-side view of the new air launch (left) and conventional method (right) of launching fireworks at Disney parks.

Research & Development

The Environment, Materials, and Infrastructure Group at Walt Disney Imagineering Research & Development is charged with driving sustainable growth of The Walt Disney Company through research and technology innovation. This department, staffed by top research scientists, leverages expertise in the basic sciences, engineering, architecture, and design to invent and adapt new technologies to meet the environmental challenges throughout the Company. Recent successes include the following:

- Developing and implementing a new method of monitoring wastewater treatment processes that saved Walt Disney World thousands of dollars per year, while meeting all state and federal wastewater discharge requirements.
- Developing and implementing an integrated pest management program that eliminated the use of pesticides on target species at the Disneyland Resort by 75%.
- Developing and patenting a new method of launching fireworks that improved show timing and quality, while eliminating virtually all of the corresponding noise and emissions.
- Formulating new methods of painting Theme Park *Audio Animatronics*® characters that substantially reduce maintenance costs, while still complying with strict California South Coast Air Quality Management District coating requirements.

The successes from Disney's Environmental Research & Development Department help demonstrate that environmental stewardship can be combined with good business decisions.

PLANNING FOR THE FUTURE: Taking Environmentality Across the Globe

Walt Disney Imagineering is on a path to make Hong Kong Disneyland its most energy-efficient Theme Park ever, with the help of a multidisciplinary team led by the Environment, Materials, and Infrastructure Group at Walt Disney Imagineering Research & Development. The team has identified a package of energy conservation measures and efficient air conditioning technologies that will lower the projected energy consumption of Hong Kong Disneyland by 20% on Opening Day. The new, energy-efficient design will continue Disney's long tradition of enhancing the Guest experience by maintaining comfortable and healthy indoor environments throughout the Resort attractions, shops, and hotel rooms at a fraction of the energy use of conventional buildings.

Detailed computer simulations of energy use across the Resort were conducted early in the design process. The simulations enabled the team to choose the combination of energy conservation measures that optimized both energy use and life cycle cost.

The key technologies selected

for implementation in various facilities across the Resort include super-efficient windows, dual-path air conditioning, and enthalpy wheels for heat and moisture recovery. These elements combine to form an efficient and effective building envelope in the hot, humid climate of Hong Kong.

The energy simulations also enabled the design team to accurately compare the operating cost impact of the various infrastructure scenarios considered. Preliminary cost estimates predict annual savings of more than \$500,000 and a payback in less than one year. The environmental benefits of energy savings are also impressive. The new design will reduce Resort electrical consumption by over 5 million kilowatt-hours annually. This reduction translates to more than 6,000 tons of carbon dioxide emissions avoided each year. Equally important, the Hong Kong Disneyland project hopes to stimulate efficiency improvements across the Hong Kong market with its demonstration of green building technologies and design principles.



HONG KONG
Disneyland

香港迪士尼樂園



Celebrating EARTH MONTH 2001 at Disney

EARTH MONTH ACTIVITIES

IN CELEBRATION OF EARTH MONTH 2001, CAST MEMBERS AND employees from all around the world showcased Environmentalism through educational activities and special events:

- Earth Day buttons were distributed to more than 250,000 Cast Members, employees, and Guests.
- Disney's Animal Kingdom hosted "Earth Days 2001," a four-day celebration for Guests that included butterfly releases, Character appearances, Animal Keeper presentations, and educational displays on backyard habitat and recycling.
- Educational workshops and environmental fairs were held for Cast Members and employees around the world to showcase environmentally friendly products, services, and resources.
- ABC and Radio Disney locations around the country hosted special events and contests, and aired public service announcements.
- The Walt Disney Company donated thousands of volunteer hours to environmental projects.
- More than 750 Guests at the Disneyland Resort participated in an environmental "Leaf Your Mark" chalk drawing event at Downtown Disney.
- Cast and employee cafeterias included "earth friendly" items on menus and offered special discounts for guests who brought reusable mugs.
- Disney's Horticulture and Integrated Pest Management teams hosted Beneficial Bug Releases.
- National Arbor Day was recognized with special tree plantings.
- The 6th annual Environmental Excellence Awards Ceremony was held at Walt Disney World to honor more than 250 Cast Members for their outstanding contributions to Disney's Environmentalism programs.

The first Earth Day was held in 1970 as a nationwide protest designed to raise awareness among political groups, establishing environmental concern as a national agenda. Earth Day is now an international holiday celebrated annually each April 22. The 30th anniversary was recognized in 2000, with more than 180 countries hosting special events. At The Walt Disney Company, the entire month of April provides an opportunity to raise awareness and reinforce the business results of Disney's Environmentalism with our employees and Guests.

"Earth Day is a commitment to make life better, not just bigger and faster; to provide real rather than rhetorical solutions. It is a day to re-examine the ethic of individual progress at mankind's expense. It is a day to challenge the corporate and government leaders who promise change, but who shortchange the necessary programs. It is a day for looking beyond tomorrow. April 22 seeks a future worth living."

Ad for Earth Day,
New York Times, 1970



Environmental Excellence Awards Ceremony
Walt Disney World Resort



Animal Keeper Presentations
Disney's Animal Kingdom



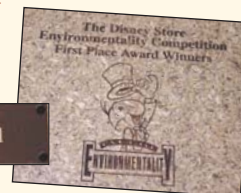
Beneficial Bug Release
Disney's California Adventure

Disney store Environmentalism Competition

and in the community. This year, Disney Store #433 from Charlestown Mall in St. Charles, Illinois, was chosen as the first-place recipient for their outstanding efforts, which included the following:

- Introduced programs to recycle and reuse aluminum cans, cardboard, paper, plastics, shipping materials, store displays, and videotapes.
- Sent soda can tabs to a local charity that benefited from money generated by recycling the tabs.
- Reduced the number of envelopes used to close registers.
- Ensured proactive water conservation.

Store #433
Charlestown Mall
2001



▶▶ Utilities Conservation

Conservation efforts at the Disneyland Resort Paris have significantly reduced water, electricity, and natural gas consumption. The total reduction since 1997 is equivalent to the expected demand for the new Walt Disney Studios Park.



The Disneyland Resort Paris Park One maintenance team received the 2001 Energy Trophy (pictured at left). This team was selected as the overall winner based on results from a monthly competition between maintenance teams that encouraged Cast Members to monitor daily consumption and identify areas of improvement.

▶▶ New Recycling Containers

In one year, the Disneyland Resort Paris prepared more than 1,300 tons of french fries. This year, new stainless steel containers were used to collect more than 195,000 liters (50,400 gallons) of cooking oil generated during their production. The containers have newly designed lids that help prevent oil from leaking into storm drains and wheels that allow Cast Members to easily transport the containers inside the kitchen. The used cooking oil is collected by a specialized firm to be recycled.

▶▶ Alternative Fuel Vehicles

Use of alternative fuel vehicles has been a priority for the Disneyland Resort Paris. Four new trams, carrying more than 2,000 Guests per hour, will be utilized on the Tram Tour attraction. The trams will use compressed natural gas, a clean fuel that reduces carbon dioxide emissions by as much as 35%. While these trams

are considered clean vehicles, there is also an effort in place to use dual-carbureted, low-emission vehicles, which primarily use liquefied petroleum gas (LPG) combined with a small reserve of unleaded gas to start the engine. Other low-emission vehicles in use include small vans and electric carts that Maintenance Cast Members use to travel and transport equipment backstage.

Of more than 650 automobiles and vans on property, nearly 50% met standards for alternative fuel vehicles.

▶▶ Earth Day

During the Earth Day event, members of the Environmental Team and Community Relations Department collected more than 90 kilos (198 pounds) of batteries and 25 kilos (55 pounds) of plastic bottle caps for recycling. The plastic caps were donated to a local organization that used the money generated from recycling to purchase wheelchairs.



▶▶ Battery Recycling

More than three metric tons of batteries were collected at the Resort during 2001. Most of these batteries are generated by merchandise locations that support a French regulation requiring vendors to accept old batteries from Guests purchasing replacements.

Cast Members were also encouraged to recycle batteries from items such as pagers, cameras, and portable radios. A special collection box was distributed throughout backstage areas to make the recycling process more convenient.

L'ENVIRONNEMENTALITÉ



Jiminy Cricket helped celebrate Earth Day.



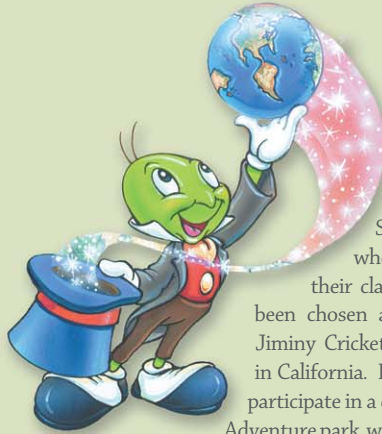
New recycling containers for collecting kitchen grease.



New clean fuel trams at Walt Disney Studios Park.

Community Involvement

▶▶ Jiminy Cricket's Environmental Challenge



IN CALIFORNIA — Mrs. Deni Lopez and her 5th grade class from Park Center School in Simi Valley had a big surprise when Jiminy Cricket arrived at their classroom to announce they had been chosen as the grand prize winner of Jiminy Cricket's Environmental Challenge in California. In May, the class was invited to participate in a ceremony at Disney's California Adventure park, where the class was recognized by

Roy E. Disney, vice chairman of the board of directors of The Walt Disney Company; Delaine Eastin, State Superintendent of Public Instruction; Bill Lyons, Secretary of the California Department of Food and Agriculture; Linda Moulton-Patterson, Board Chair of the California Integrated Waste Management Board; and Jiminy Cricket — the "Environmental mascot."

Some of the students' efforts included the following:

- Adopting and rehabilitating the school's abandoned worm farm and creating "Mini Worm Farms" for national distribution, helping to educate the public on the benefits of vermi-composting.
- Implementing a recycling program in the school that now captures more than 25 pounds of paper and 40 pounds of food waste daily.
- Developing educational materials, lesson plans, and workshops to help educate and encourage community members to support similar efforts.

IN FLORIDA — Jiminy Cricket's Environmental Challenge is the result of a partnership between The Walt Disney Company and the State of Florida's Department of Environmental Protection. At Disney's Animal Kingdom in May 2001, Roy E. Disney and David Struhs, State Secretary of the Department of Environmental Protection, joined the 5th grade class of Horizon Elementary School in Sunrise, Florida, to honor them as the winner of Jiminy Cricket's Environmental Challenge. The winning class of 32 students from Jill Putney's class developed a project that focused on water conservation and helped their school and community save more than 68,000 gallons of water per day.

The students' efforts included:

- Hosting guest speaker to educate students about water conservation.
- Creating a "water patrol" to find leaky faucets in the school.
- Developing and tabulating results from a survey to make people aware of their daily water usage.
- Hanging water conservation awareness posters in the neighborhood.



Roy E. Disney thanked the winning class for their accomplishments at Jiminy Cricket's Environmental Challenge Ceremony at Walt Disney World.

WOW — Wonderful Outdoor World

Now in its eighth year, the WOW — Wonderful Outdoor World — program continued to introduce urban youths, ages 8–12, to the importance of protecting our environment. This Disney sponsored program teaches students the value of respecting our ecosystems during the fun and excitement of an overnight camping experience in a local park.

The third annual WOW Equestrian Unit, consisting of WOW participants, adults, and a mule train, participated in the 112th Tournament of Roses Parade on January 1, 2001. Riding with the unit was Mike Dombek, Chief of the USDA Forest Service.



During the summer of 2001, the WOW program was expanded to include Utah. The Utah Federation for Youth along with numerous local sponsors including Snowbird Ski and Summer Resort, Tree Utah, Utah Society for Environmental Education, The Recycling Coalition of Utah, The Great Salt Lake Audubon, and others provide leadership and support for the new WOW-Utah program.

DISNEY VOLUNTEARS



In April 2001, more than 870 VolunteARS participated in community projects around the world contributing more than 4,500 hours to the environment. A few of the projects included:

- Disneyland Resort VolunteARS participated in "Paint Your Heart Out" by refurbishing and landscaping homes.
- Disneyland Resort Paris Cast Members cleaned a local forest.
- The Fairmont Disney Store hosted a "Park Spring Cleanup" in Philadelphia.
- In 2001, the Walt Disney World Resort contributed more than 2,000 hours to environmentally driven projects, including landscaping newly constructed homes



The Disney VolunteARS Board, comprised of Cast Members from across the Walt Disney World Resort, help identify and lead VolunteARS events throughout the year. The group completed a work day at the Oakland Nature Preserve during which team members cleared weeds from fence lines, picked up trash, and removed nonnative trees and plants.

at Give Kids the World and providing support for the International Ocean Conservancy Coastal Cleanup in Cape Canaveral.

RECYCLING EFFORTS

The Walt Disney Company has recycled more than 551,000 tons of materials in 10 years. While most recycling programs help divert traditional items from landfills, such as aluminum cans and cardboard, nontraditional items can be more challenging to recycle. Fortunately, many vendors have established methods that use nontraditional materials to manufacture new products. For example, recycled tires can be used in playground material, place mats, and

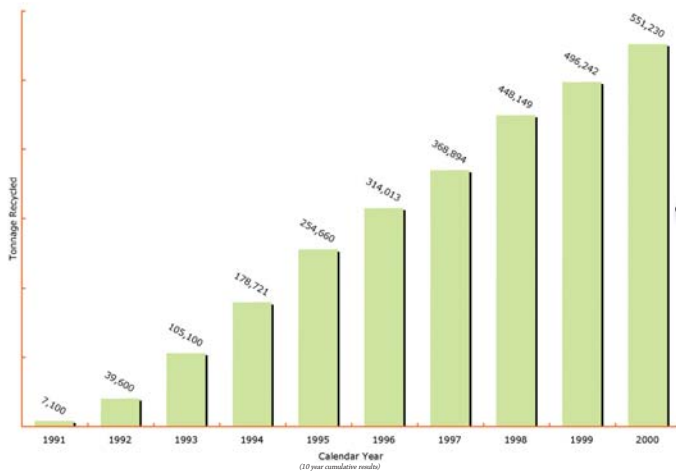
coasters; metals are transformed into picture frames; and parking stops can be made from plastic containers.

As with many businesses, success of the recycling industry relies on supply and demand. With that in mind, The Walt Disney Company is committed to responsible procurement practices, such as buying in bulk, purchasing recycled-content products, and requesting packaging materials that can be recycled.



Guide Dogs of the Desert, a nonprofit organization, received donations from money generated by recycling aluminum cans and plastic bottles at the Disneyland Resort.

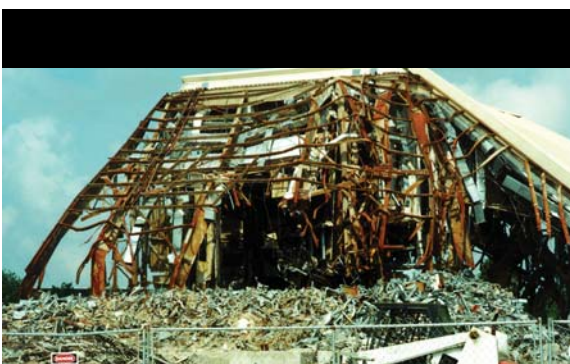
THE WALT DISNEY COMPANY RECYCLING SUCCESS REPORT



Since 1991, The Walt Disney Company has recycled 551,230 tons of recyclable materials.

HOW WE MEASURED UP IN 2000

Aluminum & Steel Cans	435 tons
Construction & Debris	6,650 tons
Cardboard Paper	13,650 tons
Office Paper	13,525 tons
Plastic Bottles	334 tons
Scrap Metal	3,884 tons
Toner Cartridges	16 tons



More than 3,000 tons of steel, 58 tons of aluminum, and 7 tons of insulated copper wiring were recycled during demolition of the Horizons attraction building at Epcot.



The Walt Disney Company captured more than 54,000 tons of materials for recycling in 2000. Many of these items were recycled through nontraditional programs, including six-pack rings, video-tapes, room key cards, computer diskettes, electronics, shrink-wrap, and film canisters. Here, a Cast Member recycled film canisters collected from Guest photos taken On Stage.

Awards & Acknowledgements



The Walt Disney Company was presented with the State of California 2001 Governor's Environmental and Economic Leadership Award on November 27, 2001, in the category of Children's Environmental Education. Disney was recognized for outstanding efforts in integrating environmental and economic objectives with state standards into the classroom as part of Jiminy Cricket's Environmental Challenge program.

The Walt Disney Company has a long history of incorporating Environmentalism into daily business practices. Grassroot efforts by Cast Members and employees provide support for a variety of programs, including recycling, waste minimization, education, energy and water conservation, and habitat conservation. In many cases, a Corporate strategy that promotes environmental initiatives also produces significant cost savings. For example, in the area of energy conservation, implementation of the EPA Green Lights Program conserved enough energy to power Disney's Animal Kingdom during the first year of operation. In 1998, our Company received commendation for this program with the Green Lights Partner of the Year Award for the Hospitality Industry.

Support from all Cast and employees creates a strong commitment to Environmentalism, and these efforts are often recognized on a global level.

AWARDS RECEIVED IN 2001

STATE OF CALIFORNIA

2001 State of California Governor's Environmental and Economic Leadership Award

- Jiminy Cricket's Environmental Challenge

U.S. ENVIRONMENTAL PROTECTION AGENCY

2001 WasteWise Program Champion Award

- ABC, Inc.
- Disneyland Resort
- The Walt Disney Studios
- El Capitan Theatre
- Walt Disney Imagineering
- Walt Disney World Resort*

THE STATE OF CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

2001 Waste Reduction Awards

- ABC Television Center Hollywood*
- Disneyland Resort*
- El Capitan Theatre



Paul Allen, chief engineer of energy management with Reedy Creek Energy Services at the Walt Disney World Resort, received the 2001 Energy Manager of the Year Award from the Association of Energy Engineers. Paul has identified numerous ways to reduce and control energy usage that included the following:

- Spearheaded the Company's participation in the Environmental Protection Agency's Green Lights and Energy Star Programs, reducing millions of kilowatt-hours of energy per year.
- Assisted local areas with "building tune-ups," a process designed to help areas fine-tune energy management systems and identify maximum energy savings.
- Developed a unique Utility Reporting System on the Company Intranet site so local areas can monitor and track daily energy usage.

(continued)

- The Walt Disney Studios*
- Walt Disney Imagineering*

THE ASSOCIATION OF ENERGY ENGINEERS

2001 Energy Manager of the Year Award

- Paul Allen, Chief Engineer, Walt Disney World Reedy Creek Energy Services

AMERICAN CAMPING ASSOCIATION

2001 Eleanor P. Eells Award for Program Excellence

- WOW – Wonderful Outdoor World – Los Angeles

DEPARTMENT OF THE INTERIOR, OFFICE OF ENVIRONMENTAL POLICY AND COMPLIANCE

2001 Environmental Achievement Award

- WOW – Wonderful Outdoor World – Greater Washington, D.C., Metropolitan Area

* Indicates areas that also received an award in 2000.



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