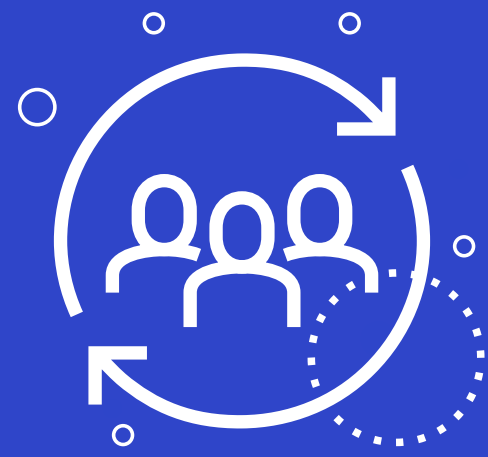


The *WALT DISNEY* Company
2030 Environmental Goals

Updated December 2022

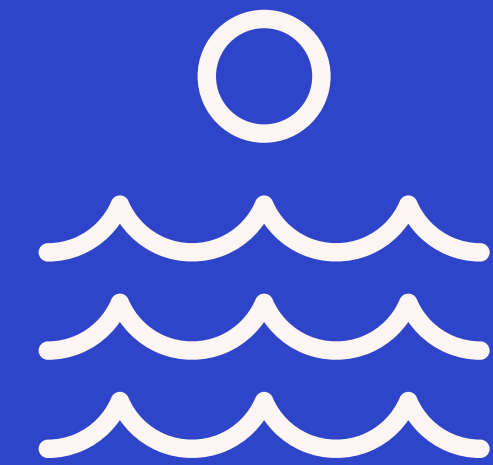
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EMISSIONS



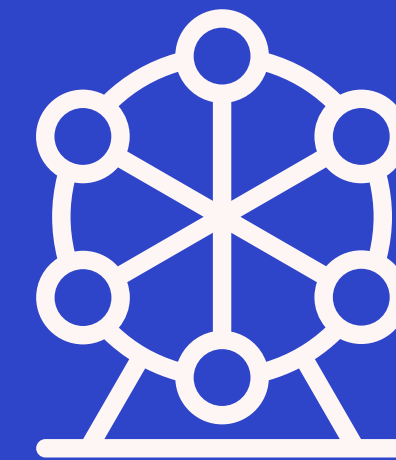
WATER



WASTE



MATERIALS



SUSTAINABLE DESIGN

CONCLUSION

2030 Environmental Goals

Disney is committed to taking meaningful and measurable action to support a healthier planet for future generations as we operate and grow our business.

Our commitment to environmental stewardship goes back to our founding nearly 100 years ago. Walt Disney himself said that “conservation isn’t just the business of a few people. It’s a matter that concerns all of us.” The environmental commitments detailed below represent some of the ways we are focused on helping to build on that legacy, for every community and across the globe, generation after generation.

Our environmental policies are based on a set of guiding principles intended to drive both our long-term environmental strategy and the everyday decision-making of our leadership, employees and cast members around the world.

We Seek To

- Have a positive impact on the communities where we operate our businesses
- Create unique content and experiences that inspire connection with our planet and all who call it home

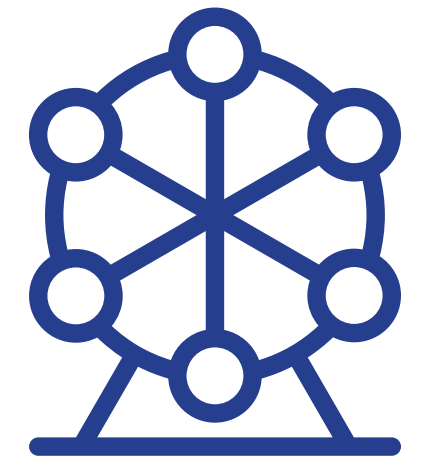
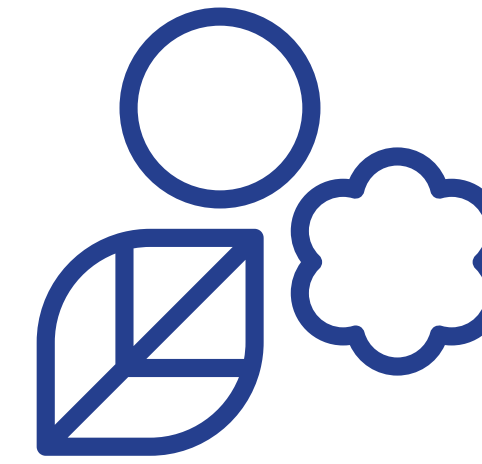
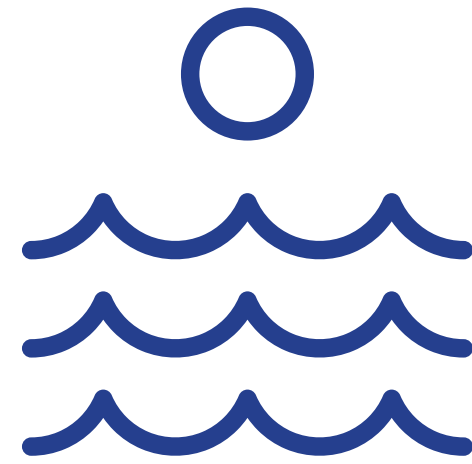
- Reduce the environmental impacts of our operations, products, services, suppliers, licensees and value chains
- Promote a culture of consideration, appreciation and respect for the environment among our leaders, employees, cast members and guests
- Work with industry partners, non-governmental organizations, academia and others to create a cleaner, safer, healthier world for future generations

Our approach is grounded in science and data, as well as our assessments of where our company and value chain have the most significant environmental impacts, and where we can most effectively and efficiently mitigate those impacts.

Based on these criteria, we have identified five areas where we are focusing our efforts over the next decade: emissions, water, waste, materials and sustainable design. While these areas are inextricably linked and often overlap, we have laid out our commitments and plan of action for each separately in the sections below.

Throughout this document, we have embraced the work of some of the world’s leading sustainability experts and organizations. We will continue to report and hold ourselves accountable on progress towards these goals annually in Disney’s Corporate Social Responsibility Report available at impact.disney.com.





Emissions

- Reduce absolute emissions from direct operations (Scope 1 & 2) by 46.2% by 2030, against a 2019 baseline
- Achieve net zero emissions for direct operations by 2030
- Reduce Scope 3 emissions in line with a 'well below 2°C' scenario by 2030
- Purchase or produce 100% zero carbon electricity by 2030
- Invest in natural climate solutions

Water

- Implement localized watershed stewardship strategies
- Source sustainable seafood

Waste

- Achieve zero waste to landfill for wholly owned and operated parks, resorts and cruise line by 2030
- Reduce single use plastics in parks and resorts
- Eliminate single use plastics on cruise ships by 2025

Materials

- For Disney-branded products, by 2030:
- Use recycled, certified or verified sustainable paper and wood
 - Use plastic that contains at least 30% recycled content or a lower impact alternative material
 - Design packaging for reuse, recycling or composting
 - Use recycled, sustainably sourced or lower impact alternative textiles
 - Ensure all facilities participate in the Higg index, or maintain a sustainable manufacturing certification

Sustainable Design

- New projects achieve near net zero, maximize water efficiencies, and are designed to support zero waste operations
- 90% diversion for construction waste for projects in US & Europe by 2030



Emissions

Reducing Our Emissions

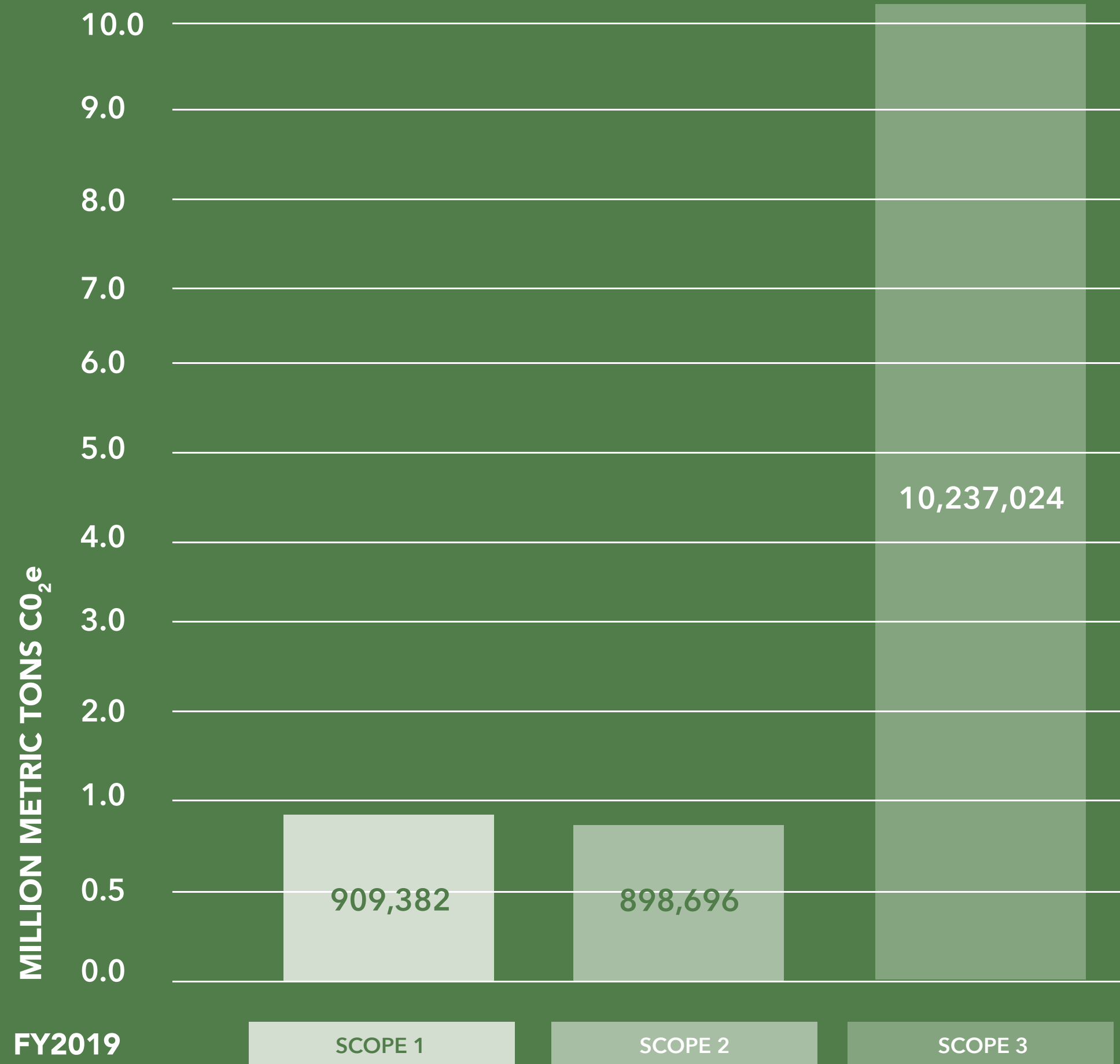
The most recent report from the Intergovernmental Panel on Climate Change (IPCC) indicates that complete decarbonization of the economy is required to avoid the worst impacts of climate change. Scientific guidance recommends that a mix of greenhouse gas emissions reductions, innovations in zero-carbon and low-carbon sources of energy and storage, and natural climate solutions are all part of the global solution. Business has an integral role to play in the transition to a low-carbon future aligned with the Sustainable Development Goals, the Paris Climate Agreement and the latest science from the IPCC.

Reducing emissions is good for business and good for the planet. The Paris Climate Agreement and the transition to a low carbon economy could generate \$26 trillion in economic benefits globally between now and 2030.¹ By reducing our own reliance on fossil fuels and investing in clean energy, we expect to find ways to lower our operational costs and improve the resilience of our energy supply.

1. UN Foundation: <https://unfoundation.org/blog/post/6-reasons-why-paris-agreement-is-good-for-economies/>

2. According to the GHG Protocol, Scope 1 emissions include direct emissions from owned or controlled sources, Scope 2 emissions include indirect emissions from the generation of purchased energy, and Scope 3 emissions include all indirect emissions that occur in a company's value chain (including both upstream and downstream emissions). "Sites under operational control" are defined as those company assets for which we have direct operational control, including responsibility for procuring electricity and fuel. The boundary for greenhouse gas emissions includes owned and operated assets (such as Walt Disney Parks and Resorts, Disney Cruise Line and commercial spaces), leased assets (such as office locations), as well as Productions (including feature films, television, theatricals and sporting events). In many instances, Scope 3 emissions calculations are based on estimated and extrapolated data and rely on third party emission databases and industry averages. We expect to make continuous improvements to Scope 3 estimates over time, including updates to assessments of business activities and activity boundaries, and improvements in input data and emission factors.

The Walt Disney Company FY2019 EMISSIONS Total Scope 1, 2 and 3 Emissions:²



Emissions Target

Greenhouse gas emissions from our direct operations (Scopes 1 and 2) derive primarily from energy use at our parks and resorts sites, major corporate campuses and from the fuel used by our cruise ships. There are also substantial emissions generated by our extended value chains (Scope 3 emissions), including those associated with the production of consumer products, media production and distribution, and the emissions of our suppliers and business partners. Our branded products and experiences are delivered to the marketplace through multiple business relationships – including extensive licensing relationships – creating variability in our ability to determine and measure associated emissions, as well as our level of influence over them.

There are some emissions we can control -- and some we cannot. These varying levels of control are reflected in our environmental commitments and influence how we engage across our value chains.

Since 2009, Disney has operated under a long-term vision to achieve net zero greenhouse gas emissions. In December 2020, the Company committed **to achieving net zero for our Scope 1 and 2 emissions by 2030**.³

Our strategy for achieving net zero for Scope 1 and 2 emissions by 2030 is based on the following fact-based reduction hierarchy:

1. Designing our built environment to reduce or avoid emissions
2. Reducing emissions through fuel and energy efficiency
3. Replacing high-carbon energy sources with lower carbon alternatives
4. Investing in certified natural climate solutions

In alignment with our net zero emissions commitment for direct operations that we set in 2020 as well as the Paris Climate Agreement, Disney is setting a Science-Based target for all our emissions – Scopes 1-2 in our direct operations, as well as Scope 3 emissions in our broader value chain. We plan to submit this target to the Science-Based Targets initiative (SBTi) for validation.

Our Target⁴

In line with criteria set by the Science Based Targets initiative (SBTi), Disney is committed to reducing emissions from our direct operations (Scope 1-2) by 46.2% by 2030, against a 2019 baseline⁵

We are also setting emissions reduction targets for our broader value chain emissions – Scope 3 emissions. Due to the diverse nature of our businesses, our target looks different for different sources of Scope 3 emissions. We employ two major strategies – absolute reduction and supplier engagement efforts – **to follow the protocols of the SBTi standards and ensure alignment with a well-below 2-degree scenario.**

Our target focuses on reducing emissions in the following areas:

- We commit to reduce absolute Scope 3 GHG emissions by 27.5% by fiscal year 2030, from a fiscal year 2019 base year, in the following categories:
 - o Specific purchased goods and services related to our consumer products, physical productions, and food and beverages;
 - o Capital goods;
 - o Business travel;
 - o Employee commuting;
 - o Energy-related activities;

- o Specific upstream transportation and distribution related to our physical logistics; and
- o Waste generated in our operations.

- We commit that 80% of our suppliers, measured by emissions, will have Science-Based targets, as defined by the SBTi, by fiscal year 2027, within the following Scope 3 categories:
 - o Specific franchises related to licensed consumer products;
 - o Specific purchased goods and services related to our external services; and
 - o Specific upstream transportation and distribution related to our streaming business.

Like most companies setting aspirational Scope 3 targets, these are challenging goals and success depends on several external factors, including actions by our suppliers to reduce their emissions, global economy-wide transitions to cleaner fuels, availability of economically feasible solutions at scale, and consumer behavioral changes.

3. We define “net emissions” and “net zero emissions” for our 2030 goals as follows: “Net emissions” = Scope 1 emissions + Scope 2 emissions (market-based) – carbon offsets; Scope 2 emissions (market-based) include emission reductions attributed to utility green power purchases, power purchase agreements, and unbundled energy attribute certificates (EACs); Our approach to carbon offsets can be found in our [Natural Climate Solutions White Paper](#); We will have achieved our 2030 “net zero emissions” goal when “net emissions” as defined above equals 0.

4. The following may be slightly modified following the validation process conducted by the Science Based Targets initiative.

5. Disney follows the latest methodologies defined by the Greenhouse Gas Protocol (GHGP) for measuring and reporting our emissions. We may revise published environmental data to reflect corrections to data, updates to methodology, or changes in emissions factors. Significant changes to the GHGP guidance in the future may affect our ability to reach our reduction targets as currently defined.

In developing our target, Disney evaluated more than one hundred Scope 3 reduction strategies based on economic feasibility and emissions impact. We will begin by focusing on the following solutions to drive reductions:

- In our consumer products, we will increase our focus on changing our materials and evolving our processes to reduce emissions, while also working together with our suppliers to move toward lower carbon technologies and renewable power. (See the *Materials* section for more information)
- We will collaborate with our suppliers, contractors and licensees to help them build capacity to set their own emissions reduction targets.
- For our owned television and film productions, we will adopt production practices that reduce emissions across our studios.
- Additionally, we will focus our attention on industry collaborations, active engagement with our suppliers and partners, and investments in innovative strategies for emissions reductions.



Zero Carbon Electricity

Our electricity procurement is highly concentrated in a few key geographies, with roughly three-quarters of electricity use taking place at our theme park and resort properties around the world. In addition to our parks and resorts, we have major campuses in Los Angeles, New York City and Bristol, as well as several smaller sites domestically and globally. Increasing the proportion of renewable energy sources in our portfolio is an essential component of our strategy to achieve net zero greenhouse gas emissions. However, each of these locations has different variables affecting our ability to transition to zero carbon electricity sources,⁶ including access to renewables, load demands and regulatory environments.

Disney is committed to purchasing or producing 100% zero carbon electricity for all direct operations globally by 2030.

In order to make progress on this commitment, we will employ the following hierarchy of action:

1) On-site generation: We will seek to invest in on-site renewable electricity generation. We will prioritize projects located as close to the point of consumption as possible. We are exploring the feasibility of opportunities at various sites throughout the world and are encouraged by our progress thus far.

2) Utility green power programs: We will maximize our use of zero carbon electricity from our utilities and retail electricity partners by exploring physically delivered zero carbon electricity to our sites, as well as opportunities for offsite partnerships. Our energy use is dispersed across numerous facilities, some of which are located in regulated markets where direct access is not possible. In those cases, we will work together with our utilities and regulatory partners to identify renewable energy tariffs that can deliver carbon-free electricity to our sites and are equitable to all utility customers.

3) Power Purchase Agreements (PPAs): Where it is permitted by the regulatory framework, we will look to supplement our renewable energy use with Power Purchase Agreements with new, additional zero carbon electricity projects. This may include both physical PPAs⁷ in proximity to our sites and virtual PPAs⁸ that allow for added flexibility and impact.

4) Energy Attribute Certificates (EACs) We may also supplement these sources with the purchase of high quality EACs where we cannot use the strategies outlined above.

In collaboration with local utility providers near Walt Disney World Resort, two 75-megawatt solar facilities are expected to come online that will benefit Walt Disney World Resort. This project will bring Walt Disney World Resort’s renewable energy consumption up to 40% of its total power use

We will reach our 100% zero-carbon electricity goal when every unit of electricity we use is delivered from zero-carbon generation or matched with an EAC (Energy Attribute Certificate).



6. We define zero carbon electricity as any type of electricity generation that does not generate net greenhouse gases such as solar, wind and geothermal resources, but also including existing zero carbon assets on the grid, like nuclear and large-scale hydropower.

7. **Physical PPAs:** A physical PPA will allow us to buy renewable energy from a developer and take title to the physical energy at a specified delivery point on the grid.

8. **Virtual PPAs:** A financial or virtual PPA does not have to be tied to a specific site’s energy use, so it can be executed independent of electricity service providers and the associated Energy Attribute Certificates can be used for any site in a company’s portfolio. Since virtual PPAs are not tied to a specific location, they give us the option to select the highest impact projects located in carbon-intensive grids.

Low Carbon Fuel Innovation

Investing in innovation in low carbon fuels is a key element of our approach to achieving net zero greenhouse gas emissions. The majority of our current fuel use is for our Disney Cruise Line operations, although we also have transportation fleets at Walt Disney World Resort as well as our other parks and resorts. In comparison to the overall cruise industry, Disney Cruise Line is a small player, but we are committed to having a positive impact, supporting development of low carbon fuels by investing in research and development, providing support for emerging technologies and supply chain logistics and collaborating with our supplier and industry partners. We will rely on these strategies - grounded in collaboration - to promote change across the industry. We will serve as a champion for fuel innovation that will benefit not just our business but partners in our value chain and the broader transportation and shipping sectors.





Invest In Natural Climate Solutions Where Needed

As one part of our overall mitigation strategy, we use natural climate solutions to provide emission reductions, for example to compensate for emissions in areas where technological solutions are not available, accessible, and affordable. When we invest in natural climate solutions, we help to protect, regenerate and improve the management of forests and other natural ecosystems around the world. Investing in high quality, verified, rigorous natural climate solutions protects ecosystems and natural resources for generations to come, while also generating co-benefits of job creation and community development.

As part of our comprehensive emissions approach, we select natural climate solutions that support nature's ability to remove and reduce emissions, while also protecting biodiversity and healthy ecosystems. We are cautious and selective in the projects we support, collaborating with experienced partners and ensuring adherence to international standards, because we want to increase the likelihood that all our projects have a meaningful and measurable impact. Our best practices include detailed reviews of project design, management, overall impacts and ongoing follow-up on project progress. See our [NCS white paper](#) for further details on our approach and the impacts that have been realized as a result of projects within our portfolio.

Natural climate solutions investments are funded by an internal fee on carbon emissions applied to all of our businesses based on their emissions profile, in order to incentivize emissions reductions at the source.



© Day's Edge Productions / WWF-US



Water

Protecting Water Resources

Disney recognizes that water is essential for ecosystems and a vital resource for communities and our operations around the world. Water is a shared resource, and we know that the Company's operations have an impact on local watershed conditions as well as on the health of our oceans. For this reason, we are committed to goals that will protect local, regional and global water and ocean resources for generations to come.

Watershed Stewardship

Disney, in keeping with the latest data and standards, has updated our water strategy to recognize that water is a highly local issue, with individualized considerations in each geography.

We are committed to implementing site-specific watershed stewardship strategies at key sites starting in 2021.

To best apply local context to our water stewardship strategy, we prioritized key sites across our operations deemed to be high impact. Key sites are determined by either or both a high volume of water consumption⁹ and location within a geographic area of high water stress. Baseline water stress was determined using external data from the World Resource Institute's Aqueduct tool, WWF's Water Risk Filter and other tools. Based on this data and our anticipated consumption

9. Sites that use more than 10 million gallons per year are considered high consumption sites.



growth, we identified high impact sites as all our global parks and resorts, our corporate campus in Burbank, California and our Aulani resort in Hawaii.

Starting in 2021, we established localized water use objectives and goals for each of these sites, based on a comprehensive assessment of risks and opportunities. Using insights gained

from this assessment, we are implementing operational and watershed protection strategies. Each site will prioritize strategies that are responsive to the specific needs within the region in which they do business - such as groundwater replenishment, improving water quality or enabling access to clean water. As part of this localized strategy, the sites will actively seek to collaborate with local stakeholders - such as

industry and non-profit organizations - to safeguard the overall health of the watershed as a multi-use sustainable resource. We expect these strategies to include on-going, dynamic approaches to watershed protection and improvement that will be responsive to community and business needs.

Responsible Seafood

Responsible selection and sourcing of seafood is important to the future of our business, to the livelihoods of the fishing industry worldwide and to the health of the planet for future generations. We are aligning the culinary practices of our parks and resorts around the world with regional responsible seafood-sourcing best practices and third-party certifications where applicable. We have been focused on sourcing environmentally responsible seafood since 2014 and have long standing relationships with both the Monterey Bay Aquarium and the Sustainable Fisheries Partnership as part of this effort.

Our commitment to sustainable seafood includes four major components, referred to as SEAS:

- S:** Source seafood that is environmentally responsible
- E:** Encourage fisheries and farms to align with sustainable seafood standards
- A:** Assess and monitor our seafood selection and sourcing
- S:** Share information with our guests, cast members and

suppliers about environmentally responsible seafood and our offerings

- We define environmentally responsible seafood as:
- Evaluated and considered environmentally responsible by leading, regionally relevant third parties,¹⁰ or
 - From providers actively engaged in local fishery improvements and sustainability practices by participating in a credible¹¹ Fishery Improvement Project (FIP) or Aquaculture Improvement Project (AIP), and
 - Not listed as threatened or endangered in accordance with the IUCN Redlist

We will serve 100% environmentally responsible seafood in our US theme parks and resorts, and on our cruise ships.¹²

Our seafood efforts will vary slightly across the globe due to the inherent differences in each region. To accommodate those differences, we will also focus on developing strategies and partnerships for each international site that help move the fishery industry forward in communities where we work.

We work in collaboration with the Monterey Bay Seafood Watch Program and Sustainable Fishery Partnership to track the sourcing of seafood within our operations and discontinue purchasing items that are out of compliance with our environmental goals.



10. For US purchases, Monterey Bay Aquarium’s Seafood Watch is the named partner. Environmentally responsible seafood is defined as seafood with a green or yellow, or other eco-certifications recommended by Seafood Watch. Unrated species are evaluated for risk on a case-by-case basis.

11. FIPs and AIPs must have publicly posted work plans and progress reporting, and all FIPs must have a progress rating of C or higher on [Fish Source](#).

12. This goal was in effect as of 2022 at US based theme parks and resorts



Waste

Using And Wasting Less

The growing amount of waste produced today poses a threat to our environment and ecosystems, and to communities around the world. By reducing the amount of waste we generate, reusing what we can and recycling materials that can otherwise end up damaging ecosystems, we can help reduce biodiversity loss, pollution and greenhouse gases, while protecting local communities.

At our owned and operated locations, we have increased diversion of operational waste from landfills from 49% in 2015 to 57% in 2019 - a meaningful, measurable impact. In fact, we sent less total waste to landfills in 2019 than we did in 2014, despite the tremendous growth in our operations over that same period. These efforts are all a part of our long-term vision to become a zero-waste company.

While we are proud of the progress we have made, we are committed to doing more.



Zero Waste To Landfill Sites

Disney is committed to working to achieve zero waste to landfill for our wholly owned and operated parks, resorts, and cruise line, by 2030.¹³

We will achieve these results through a comprehensive waste management plan that relies primarily on reducing waste on our properties, including food waste; reusing products and materials; being deliberate about material sourcing; maximizing recycling; and focusing on education efforts with our guests and employees. In our highly varied and complex operations some waste may be unfit for these preferred diversion efforts. In these cases, we may supplement those efforts with waste to energy solutions where environmentally and socially responsible waste to energy options exist. We will work with partners in our communities to research and test emerging technologies that can eliminate or reduce waste. Our specific strategy and our ability to meet this goal will be impacted by developments in technology and the relevant waste markets which are constantly evolving.

All our sites are committed to working to achieve our long-term zero waste goal, by maximizing diversion through waste reduction, recycling, donations and other landfill diversion solutions.

13. Zero waste to landfill is defined by 90% operational waste diversion, including thermal waste to energy for Walt Disney World, Disneyland Resort, Disneyland Paris and Disney Cruise Line.

14. Food waste diversion goal includes Walt Disney World, Disneyland Resort, Disneyland Paris and Disney Cruise Line.

Food Waste

Our zero waste to landfill efforts will particularly focus on reducing food waste in our parks, resorts and cruise line. We know that when food is wasted, everything that went into growing, harvesting, packaging and transporting that food is also wasted. To do our part, we will work on reducing food waste at the source and aim to maximize food waste diversion and meet a minimum 50% food waste diversion.¹⁴

Addressing waste isn't new to us. Disney has been committed to reducing food waste for more than a decade. Each of our theme park and resort sites around the world utilize technologies and programs available to reduce and divert food waste such as community donations, animal food, composting, anaerobic digestion and more. Walt Disney World Resort is currently a US EPA Food Loss and Waste 2030 Champion, and Disneyland Resort was recognized by the EPA with the Food Recovery Challenge award for its food recovery efforts. We are committed to prioritizing food waste reduction initiatives according to the EPA Food Recovery Hierarchy.



Plastics

We recognize that plastics in the natural environment pose a serious threat to the health of our ecosystems. Addressing this issue is a priority for Disney. We are committed to being a meaningful, measurable part of the solution and collaborating with partners around the world to reduce plastic waste and leakage into nature.

Beginning in 2018, we set out a series of commitments to eliminate single-use plastic straws, plastic stirrers and polystyrene cups at all owned and operated locations across the globe, to transition to refillable in-room amenities in our hotels and on our cruise ships, and to reduce the number of plastic shopping bags in our owned and operated parks and on our cruise line.

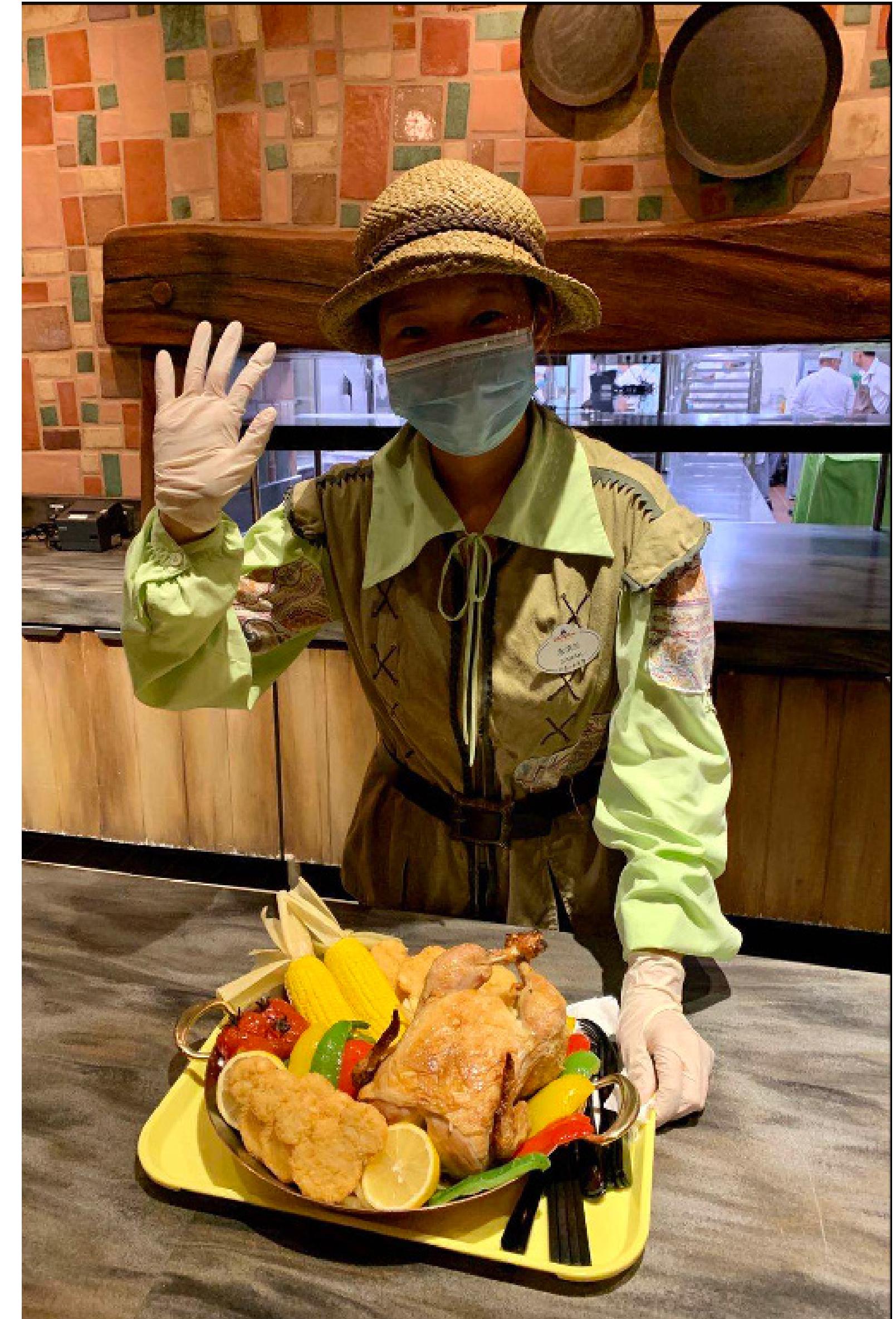
As a result, we have permanently eliminated more than 200 million plastic straws and stirrers annually, completed removal of all polystyrene cups, and reduced plastics in more than 30,000 of our guest rooms and state rooms by replacing a large portion of disposable toiletries with bulk amenities and reducing our use of plastic merchandise bags.

These initiatives were a first step in reducing our plastic footprint and are leading the way for our future efforts.

Moving forward, our theme parks and resorts will focus on four key plastics reduction strategies:

- Reducing plastics in our hotels
- Reducing single-use plastics in food and beverage service areas
- Implementing and expanding reuse systems
- Engaging suppliers to reduce single-use plastics throughout the supply chain

Waste management on our cruise line is a particular focus given the proximity to oceans. We recognize our responsibility to minimize the risk that plastics or other solid wastes could leak into nature. After meeting our 2022 goal to reduce guest-facing single-use plastics on our cruise line by 80%, **Disney Cruise Line is now also committing to a more ambitious target to eliminate all single-use plastics on board its ships by 2025.**





Materials

Sourcing Lower Impact Products

Disney brings stories, characters and experiences to life through innovative and engaging physical products and digital experiences across hundreds of categories, from toys and t-shirts, to food, books and console games. To do this, we sell products directly to consumers through our parks and stores, and also license our characters and stories to third parties to make and sell Disney-branded products.

Today, we are the largest licensor in the world. Licensed products using our intellectual property are produced under a range of different business models and manufactured in nearly 40,000 facilities in close to 100 countries across the globe. This manufacturing network and global footprint create a highly complex network of suppliers, many several degrees removed from our direct operations.

To systematically address the impact of the product portfolio, we identified a set of materials that are consistently used in high volumes and across a number of different product categories in both our direct and licensed manufacturing, and/or are known

to have significant environmental impacts associated with their production and use: **forest products including paper, wood and palm; textiles; and plastics.**

Our materials goals will focus on reducing the environmental impacts of these materials while also helping our manufacturing network to become cleaner, safer, and healthier as a whole. However, this is only a first step. We recognize there are more materials to address and more to do to increase the environmental stewardship of all of our products and the facilities that produce them.



Use Sustainable Paper, Wood, And Palm Oil

Disney embraces the need to prevent deforestation and support local communities in sensitive ecosystems across the world. Starting with a [paper policy in 2013](#), we have worked to identify more responsible ways to source materials and products from forests. We want to ensure that we promote forest conservation and responsible forest management, support the people who depend on the forests for their social and economic well-being and protect the biodiversity of the forests across the globe, not just in countries where we actively operate.

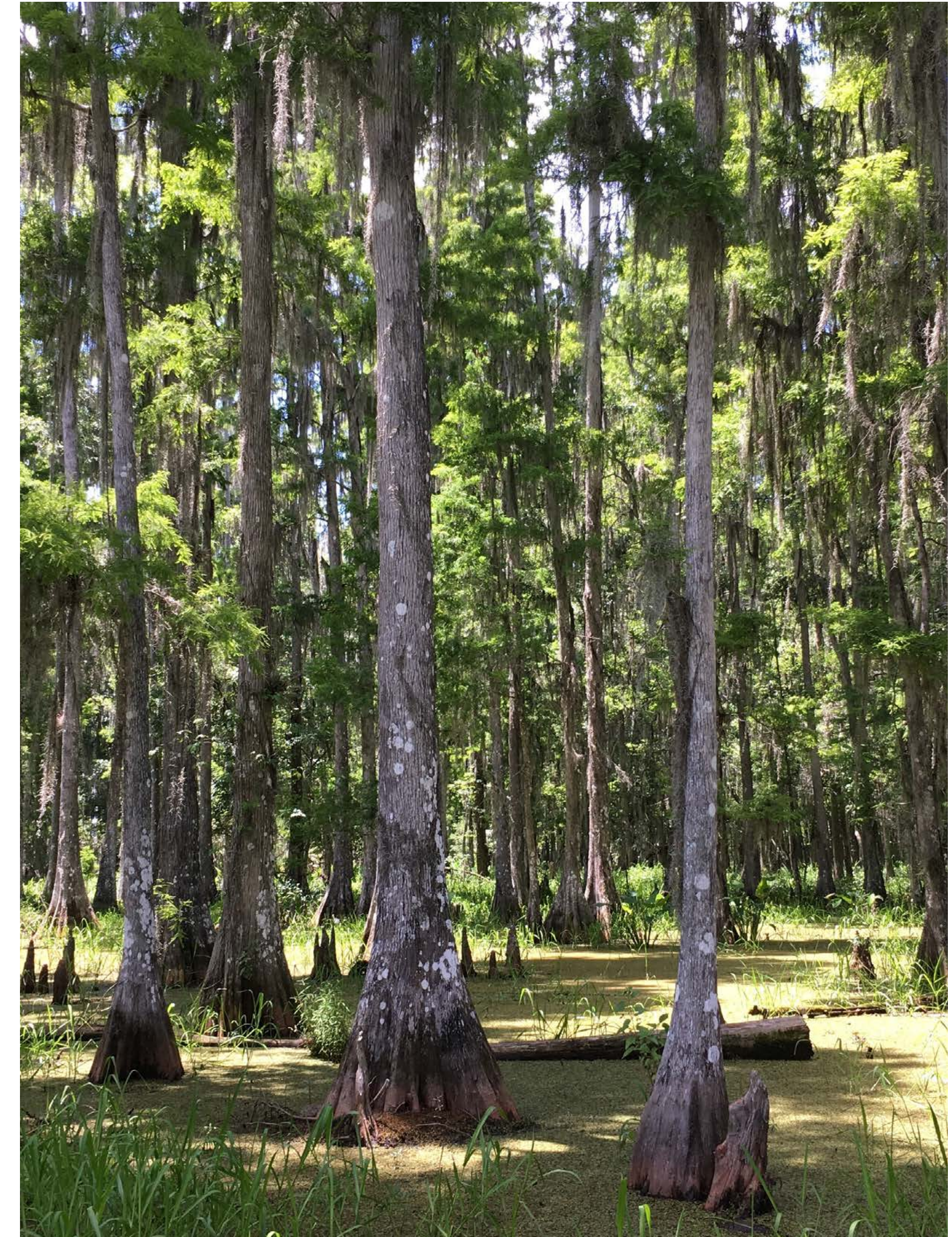
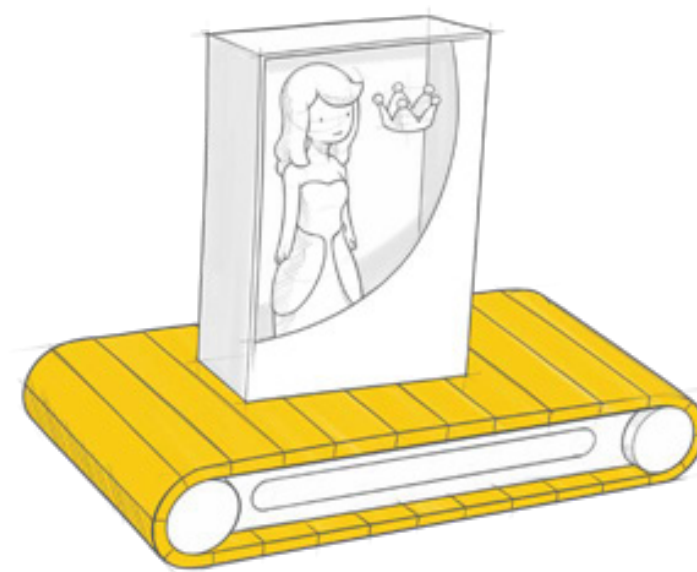
To prevent deforestation, we support working forests employing sustainable and responsible forest management systems, which help to increase the amount of sustainably certified wood products coming to market. Strategies for forest conservation must be inclusive of socio-economic well-being and tenure rights of local communities. Through our investments in natural climate solutions, we support projects that have created first-ever Forest Management Plans for landowners that meet Forest Stewardship Council (FSC) certification criteria, as well as programs which support developing nations to build capacity for landscape level conservation. We will continue to evaluate and identify effective solutions to promote forest conservation and responsible forest management through collaborative efforts.

In addition to our efforts to conserve and restore forests, we commit to managing our supply and use of forestry products that can have direct impacts on deforestation in the following ways:¹⁵

- All paper used as a primary material in our branded packaging and products, will contain 100% recycled content, or be from a verified or certified sustainable source by 2030
- All wood used as a primary material in Disney-branded products will be from recycled, certified or sustainable sources by 2030
- All palm oil and palm kernel oil used as an ingredient in Disney-branded products will be from certified sustainable sources by 2030

Disney has a strong preference for fiber certified by FSC Forest Management and Chain of Custody certification. Other acceptable sources for our fiber-based paper and packaging include Programme for the Endorsement of Forest Certification (PEFC) certified sources and the Sustainable Forestry Initiative (SFI) certification.

All products containing palm oil must be certified through the Roundtable on Sustainable Palm Oil's (RSPO) certification.



15. Our packaging and product goals apply to all major product categories globally. For packaging, the goal applies to the primary packaging of Disney-branded products. For products, the goal applies except where materials are a marginal component of the product. For palm oil, the goal applies to any use of palm oil and major palm oil derivatives as an ingredient.

Use Sustainable Textiles

Our products use many types of textiles and fibers, ranging from natural to synthetic to complex blends. We recognize that every textile has a social and environmental impact, and we are committed to ensuring that the sourcing of raw materials used in our clothing is done in a cleaner, safer, and healthier manner, accounting for the breadth of these impacts.

By 2030, our goal is for 100% of our branded product textiles to contain recycled or certified sustainably sourced content,¹⁶ or be made from lower impact alternatives.¹⁷

Disney is continuously evaluating which certifications and standards it will rely on to meet this goal. We expect to leverage the Textile Exchange's preferred fiber list.

Reduce Our Plastics Footprint in Our Branded Products

Our global approach to plastics for our branded products is aligned with a zero-waste hierarchy of action: to seek alternatives, reduce, reuse and recycle, where appropriate. Because waste management varies by country, we are also individualizing our approach to accommodate the variability and availability of waste infrastructure across the globe.

We acknowledge that there are scenarios in which plastic is preferable to the alternatives because of issues related to safety, health, transportability and even carbon emissions. As such, plastic is, at times, the preferred material for our operations and our Disney-branded consumer products supply chain. We consider it our responsibility to balance those benefits while simultaneously addressing the serious environmental and social concerns that arise when plastic enters the natural environment.

- **By 2030, our goal is for all plastic in our branded products and packaging to contain 30% or higher recycled content or to use a lower impact alternative¹⁸**
- **The design of all of our branded packaging will ensure the ability to reuse, recycle in region or compost by 2030**



16. Examples of sustainably sourced content include natural fibers certified sustainable by programs such as Responsible Wool Standard, Responsible Down Standard, Better Cotton Initiative and Rainforest Alliance Certified; cellulosic fibers certified by FSC and Canopy; and synthetic fibers certified by Global Recycled Standard and SCS Recycled Content.

17. We will rely on life cycle assessments (LCA) to evaluate alternative materials to ensure preferred performance over traditional materials. Lower impact materials are defined as having lower key LCA indicator scores without significant impact tradeoffs.

18. We will rely on life cycle assessments (LCA) to evaluate alternative materials to ensure reduced impact over traditional materials. Lower impact materials are defined as having lower key LCA indicator scores without significant impact tradeoffs.

Sustainable Manufacturing Facilities

Our company is also committed to working in communities around the world, with facilities that track their environmental impact, with the aim of minimizing our environmental footprint everywhere that Disney-branded products are made.

By 2030, our goal is for all facilities¹⁹ to participate in the Higg index or maintain a sustainable manufacturing certification

Disney is currently evaluating which certifications and standards it will rely on to meet this goal. We expect to leverage widely accepted industry standards such as Higg vFEM (Facility Environmental Module), OEKO-TEX STeP, OEKO-TEX MADE IN GREEN, Global Organic Textile Standard and Bluesign.



19. Facilities is defined as manufacturing facilities where Disney IP is applied to a product.



Sustainable Design

Building for Lower Impact

According to the United Nations Environment Programme, buildings and their construction consume a significant amount of natural resources, accounting for 39% of all energy-related carbon dioxide emissions annually.²⁰ To meet the goals of the Paris Climate Agreement, the IPCC report estimates that the built environment's energy intensity—a measure of how much energy buildings use—will have to improve by 30% by 2030.²¹

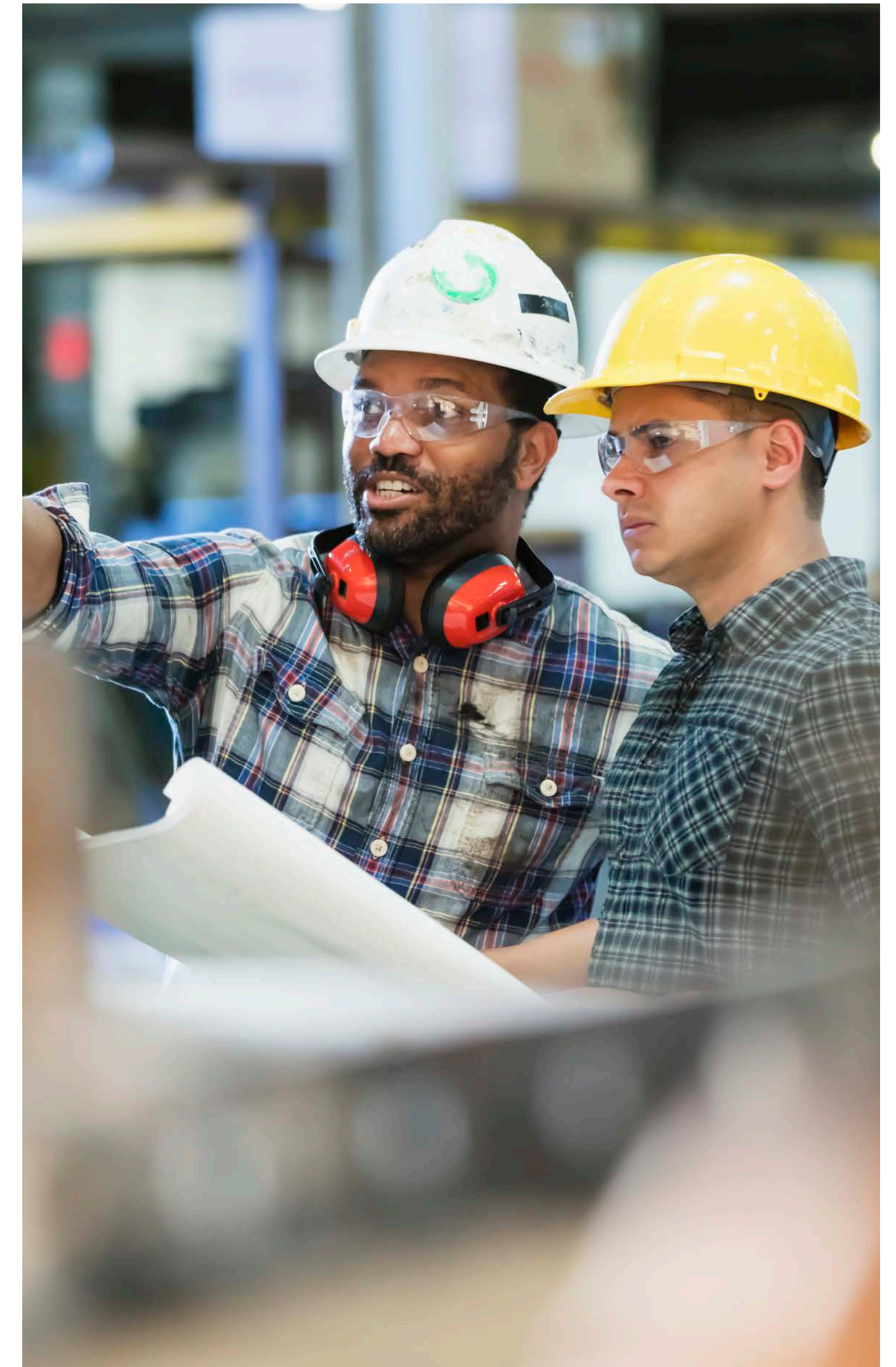
Designing, building and operating to avoid or reduce emissions, water and waste has been a core part of Disney's sustainable design strategy. Our built environment, ranging from theme parks to offices, are not only the most visible part of our footprint, but also accounted for 67% of our Scope 1 and 2 emissions in 2019. To date, we have implemented smart energy management devices, and installed high efficiency lighting and HVAC equipment. This enables us to minimize our energy consumption and to have better control over energy consuming devices. We have also achieved

LEED certification across a range of projects: Aulani Resort in Hawaii, our Creative Campus in Glendale and our data center in North Carolina.

To reach our 2030 goals, we recognize that we will need to do even more. In order to reduce the environmental impact of our built environment, we will continue to drive efficiency improvements in our existing assets and ensure that all of our new assets and buildings will be designed and constructed with environmental innovation as a priority.

20. UN Environment
<https://www.unenvironment.org/resources/publication/2019-global-status-report-buildings-and-construction-sector>

21. UN Environment Global Status Report 2017
https://www.worldgbc.org/sites/default/files/UNEP%20188_GABC_en%20%28web%29.pdf



Existing Assets

Increasing our efficiency efforts in our existing buildings and assets has been, and will continue to be, a core part of our emissions strategy. In the past, these efforts have ranged from chiller replacements and lighting retrofits, to installing intelligent energy management devices.

Our standards for operational retrofits will align with the standards for new construction outlined below, ensuring that we make the best choices for energy, water and waste disposal efficiency across both our current and our new built environment

New Assets

New assets provide us an opportunity to avoid some emissions altogether - making design and construction choices that minimize our environmental footprint for the life of the asset, while reducing consumption of non-renewable resources, conserving water, minimizing material use and waste and creating healthy sites with improved performance. For this reason, we are setting environmental commitments for new projects across emissions, water and waste:

- **New projects will be designed to near net zero²² - maximizing energy efficiency, electrification to reduce fuel use and on-site renewables**
- **New projects will minimize water consumption through efficiency measures, water capture and reuse and maximizing use of non-potable sources**
- **New projects will be designed for zero waste operations, including planning for reuse where possible, particularly in restaurants and kitchens and providing dedicated areas for waste sorting**
- **All new projects in the U.S. and Europe will meet or exceed 90% diversion of construction waste by 2030**

In order to align to best practices for the environment and occupancy, Disney's design standards will use energy, water and waste requirements informed by industry standards such as USGBC Leadership in Energy and Environmental Design (LEED), California Building Energy Efficiency Standards, New York City Energy Conservation Code, China 3 Star and International Green Construction Code (IGCC). These standards will avoid and reduce emissions, solve for operational waste minimization, lower the impact of our building materials and drive water efficiencies and conservation. We acknowledge, however, that design innovations do not stand still, and every design allows us the opportunity to learn how to improve on the next project.

We are committed to learning from the efforts of others, evaluating our sustainable design requirements on a regular basis by tracking projects, benchmarking industry best practices, researching new technologies and using best practices to help us continually improve and expand our own goals and ambitions.

The development of Disney's New York City campus, which includes more than one million square feet of office and production space, demonstrates the early progress of this approach. The project is being designed to LEED Platinum standards as well as being evaluated for employee wellness certifications. The campus will be entirely electric, thanks to high-performance facades, on-site solar panels, high efficiency dedicated outside air systems, waste heat recovery, demand control and electric heat pumps. We will also achieve significant water reduction through low-flow fixtures, on-site water capture and reuse for industrial purposes and irrigation.

22. In this context, the term "near net zero" means that new buildings will aim to use all the design and efficiency features found in net zero buildings. However, we know that generating 100% of our energy needs through renewables on-site is not feasible for all new projects. We will maximize on-site renewables wherever we can, while integrating new 'near net zero' buildings into our broader renewable energy procurement strategy to achieve our corporate goal of net zero Scope 1 and 2 emissions by 2030.



Conclusion

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Disney is committed to protecting, conserving and enhancing natural resources for future generations. We believe creating a cleaner, safer, and healthier world is core to being an accountable company, building shareholder value, engaging our cast members, employees and guests and ensuring that we can continue to offer exceptional entertainment content and extraordinary magical experiences across the globe for generations to come.

Applying Disney's unparalleled creativity and operational excellence, we will work together to achieve these environmental commitments, while continuing to inspire the next generation of conservationists around the world.

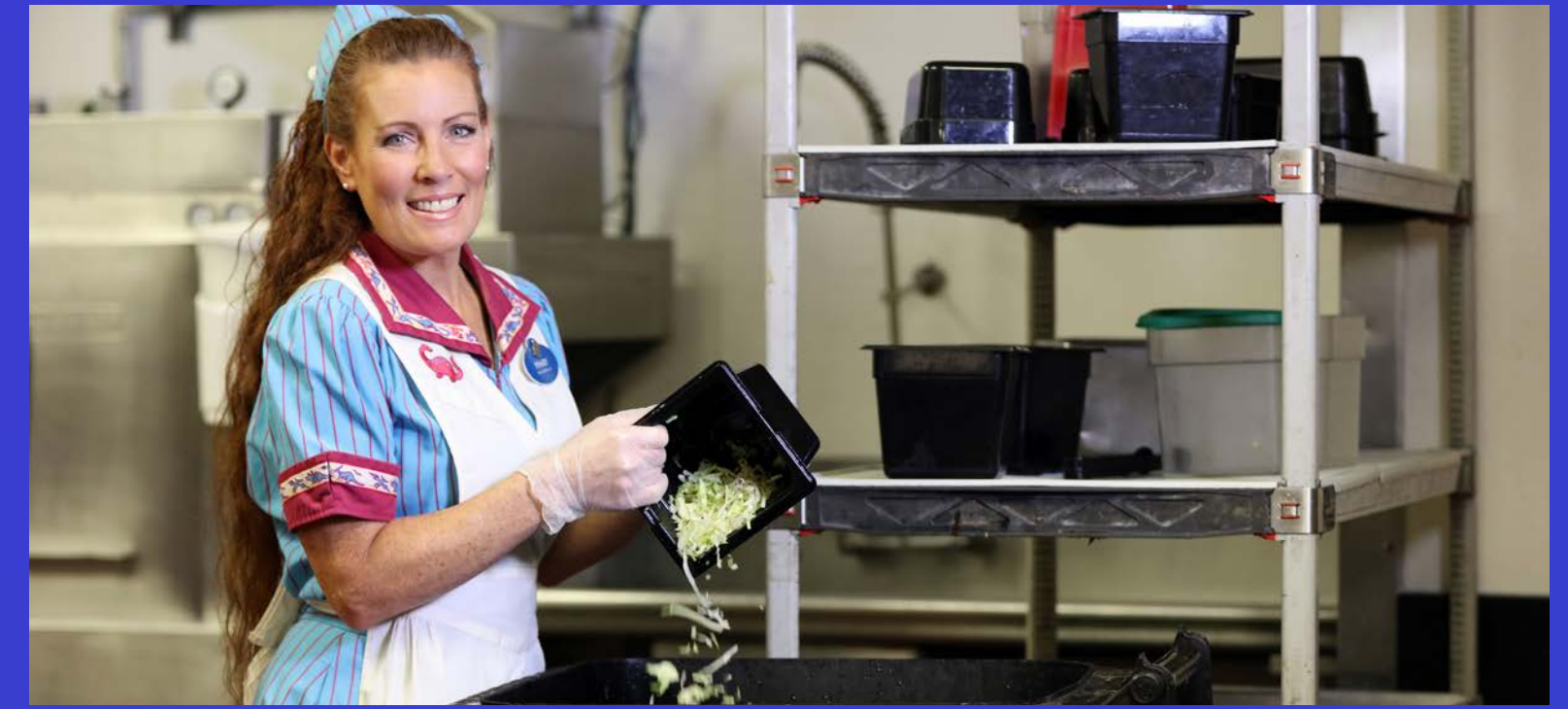


Forward-Looking Statements

Certain statements in this communication may be deemed to be “forward-looking statements” within the meaning of the Federal Private Securities Litigation Reform Act of 1995, including statements regarding our plans; expectations; continuation or future execution of initiatives, programs, activities, policies, or disclosures; strategies; goals; objectives; intentions; commitments; targets and other statements that are not historical in nature. These statements are made on the basis of management’s views and assumptions regarding future events and business performance as of the time the statements are made. Management does not undertake any obligation to update these statements. Actual results may differ materially from those expressed or implied.

Scope

The terms “the Company,” “we,” “Disney,” and “our” are used to refer collectively to the parent company and the subsidiaries through which businesses are conducted. Inclusion of information in this report should not be construed as a characterization of the materiality or financial impact of that information.



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