2030 Environmental Goals
The Walt Disney Company is committed to protecting the planet and delivering a positive environmental legacy for future generations as we operate and grow our business.

Our commitment to environmental stewardship goes back to our founding more than 90 years ago. Walt himself said that "conservation isn’t just the business of a few people. It’s a matter that concerns all of us." The release of these new environmental goals represents some of the ways we are focused on helping to build on that legacy.

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
- Leverage our unique content, platforms and experiences to inspire others to do their part for the environment
- Reduce the environmental impacts of our operations, products, services, suppliers, licensees and value chains
- Promote a culture of consideration for the environment among our leaders, employees, Cast Members and guests
- Work with industry partners, non-governmental organizations, academia, government agencies and others to achieve long-standing change and environmental improvements that protect the planet for future generations
- Have a positive impact on the communities where we operate our businesses

Our approach to environmental sustainability is grounded in science and our assessments of where our company’s operations have the most significant impact on the environment, as well as the areas where we can most effectively mitigate that impact.

Based on these criteria, we have identified five areas where we will focus our efforts over the next decade: greenhouse gas emissions, water, waste, materials and sustainable building design. While these areas are inextricably linked and often overlap, we have laid out our goals for each separately in the sections below.

Progress towards the goals outlined here will be reported annually beginning with Disney’s 2022 CSR report, which will include 2021 data.

A NOTE ON THE COVID-19 PANDEMIC

The unprecedented health crisis has had a profound impact on people, businesses and communities worldwide. Disney, like many companies, has experienced widespread disruption as a result of the pandemic. Most of our businesses experienced some shut down, and this has had a significant impact on our financials. In light of the continuing uncertainty associated with the pandemic, we are mindful of the fact that events outside of our control may mean some changes in our approach. Nevertheless, our dedication to environmental stewardship remains steadfast, and we are committed to making progress toward the goals we present here.
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**Notes:**
- Innovation for low carbon fuels
- Zero waste to landfill for our wholly owned and operated parks and resorts
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Our Commitments
Emissions
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 Agreement and the latest science from the IPCC.

Reducing emissions is good for the planet and good for business. The Paris 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, we expect to find ways to lower our operational costs, improve the resilience of our energy supply and attract investors, employees and customers who are looking for businesses to act on climate change.

1. UN Foundation: https://unfoundation.org/blog/post/6-reasons-why-paris-agreement-is-good-for-economies/
Net Zero Greenhouse Gas Emissions

Greenhouse gas emissions from our direct operations 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, including those associated with the production of consumer products. Disney-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 and control over them. These varying levels of control are reflected in our 2030 environmental goals and influence how we engage across our value chains. Today we are announcing our ambition for Scopes 1 and 2, and by the end of 2022 we will announce goals and a strategy for Scope 3 and our considerable licensing relationships, in line with the Paris Agreement.

Since 2009, Disney has operated under a long-term vision to achieve net zero greenhouse gas emissions. We have been steadily on track to meet our 2013 goal to reduce our emissions 50% from 2012 levels by 2020, and will report on this progress in our 2020 CSR report, released in Spring 2021.

In the meantime, we have set a new goal that will get us closer to achieving our vision of net zero greenhouse gas emissions: achieving net zero for our Scope 1 and 2 emissions by 2030.²

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

1. Avoiding emissions through sustainable design
2. Reducing emissions through efficiencies
3. Replacing high-carbon energy sources with lower carbon alternatives
4. Investing in certified natural climate solutions

We are committed to addressing our emissions footprint first through avoided emissions, and then through reductions wherever possible. However, natural climate solutions are a necessary mitigation tool until technological innovation has scaled. As we work to assess our footprint, we are also taking action on Scope 3 emissions where we can, focusing on reducing the impact of materials in our supply chain.

Initial strategies for how we will avoid and reduce our Scope 1 and 2 emissions include:

- Implementing sustainability requirements for design and construction of new assets, such as hotels, attractions, office buildings, production facilities and data centers
- Investing systematically in projects and renovations that drive greater efficiency in existing operations

• Catalyzing innovation in low-carbon fuels to help accelerate the transition to more sustainable energy sources
• Procuring carbon-free electricity through on-site generation, partnerships with local utilities and other mechanisms

Each of these strategies is an integral component of our emissions goal and is discussed in detail in this paper.

We recognize our responsibility to address emissions across our value chains, especially given that Scope 3 emissions represent a significant portion of our total emissions footprint. Our company manages a diverse set of businesses, each with very different operations and sources of emissions: cruise lines, theme parks and resorts, media production and distribution, and consumer products, which are underpinned by an extensive licensing model. Because of this business diversity, identifying all sources of our Scope 3 emissions - which can range from viewing a movie to the lifecycle of our physical products - presents a tremendous challenge, and one we are working to complete in order to accurately account for, track and reduce those emissions. By the end of 2022, our intention is to define a science-based reduction goal for the company’s Scope 3 emissions footprint.

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. “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 Disney Stores and office locations), as well as Productions (including feature films, television, theatricals and ESPN).
### 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 parks and resorts around the world. In addition to our parks and resorts, we have major campuses in Los Angeles County, New York City and Connecticut, as well as a number of smaller sites domestically and globally. Increasing the proportion of renewable energy sources in our portfolio is a critical 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, including access to renewables, load demands and regulatory environments.

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

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

1) Onsite self-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 partnerships: We will maximize zero carbon electricity from our utilities and retail electricity partners by exploring the availability of physically delivered zero carbon electricity to our sites, as well as the 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 actively work 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 PPAs in proximity to our sites and virtual PPAs that allow for added flexibility and impact.

4) Unbundled Renewable Energy Credits (RECs): We may also supplement these sources with the purchase of unbundled renewable energy credits (RECs) where we cannot use the strategies outlined above.

This summer, Reedy Creek Improvement District finalized a twenty-year Purchase Power Agreement with a local utility partner in Central Florida for a 75 MW solar facility that will benefit Walt Disney World Resort. Expected to come online in 2023, this project is projected to provide approximately 15% of Walt Disney World's annual energy requirements, bringing Walt Disney World’s renewable energy consumption up to 26% of its total power use.

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3. 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.

4. 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.

5. 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 RECs 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 and other parks and resorts. In comparison to the overall cruise industry, Disney is a small player, but we intend to be an agent of change, 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.

The Walt Disney Company is committed to collaborating with industry groups and investing in low carbon fuel innovation.

Early progress on this goal includes:

- Plug-in power used by our cruise ships at certain ports while docked to reduce fuel consumption.
- Battery and solar-powered generators piloted by film & TV productions.
- EV chargers installed at Walt Disney World, Disneyland Resort, and Disneyland Paris for guest and employee parking.
- Geothermal used in lieu of boilers at Disneyland Paris to displace natural gas.
- The three new Disney cruise ships scheduled to launch over the next decade are set to be dual-fuel ships that will be powered by Liquefied Natural Gas (LNG) which has lower carbon emissions than traditional fuel. LNG removes sulfur and particulate matter concerns and reduces our carbon emissions while we continue to find and safely test alternatives.

We plan to continue to expand on these efforts at our parks and with our transportation fleets, with a focus on Disney Cruise Lines, where fuel innovation is needed the most.

As first steps, we plan to:

Dedicate funding to innovation and development of low carbon fuel pilots and infrastructure, especially in ship fuel. Our initial immediate activities in this area include:

- Partnering with the Lignin Ethanol Oil (LEO) Coalition to explore the environmental and commercial viability of LEO - a potential near carbon neutral biofuel - for shipping
- Participating in a carbon neutral shipping pilot with one of our key ocean logistics service providers

Join industry collaborations to move the needle forward, starting with:

- The Cruise Lines International Association commitment to reduce member fleet carbon emissions intensity 40% by 2030
- BSR’s Clean Cargo Working Group dedicated to reducing impacts of global ocean logistics

We hope to 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. We intend to ramp up our use of low carbon fuels over time as sources become available, accessible and economical in the marketplace.
Invest In Natural Climate Solutions Where Needed

As part of our overall mitigation strategy, natural climate solutions provide immediate emission reductions until the advancement of innovative technological solutions are available and accessible. 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 ensure that all our projects have a significant 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.
Water and Oceans
Water and Oceans

Disney recognizes that water is a critical component for ecosystems, and a vital resource for communities and our operations around the world. Water is a shared resource and we know that Disney'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 regional and global water and ocean resources for generations to come.

We remain guided by our long-term water resource conservation commitment, in place since 2009.

While the ongoing impact of the COVID-19 pandemic and the resulting uncertainty as it relates to water consumption practices have affected our ability to update our water conservation goal at this time, we remain committed to maintaining a focus on water conservation strategies, annual data reporting and engagement with employees, Cast Members, guests and community stakeholders. We will be releasing an updated water conservation goal in the near future.
Watershed Stewardship

The Walt Disney Company, in keeping with the latest science and standards, has updated our water strategy to recognize that water is a highly local issue, with unique considerations in each geography.

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

To best apply local context to our water stewardship strategy, we prioritized high impact sites across our operations. High impact sites are determined by either or both a high volume of water consumption 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 growth, we identified high impact sites as all our global parks and resorts, our major corporate campus in Burbank, California and our Aulani resort in Hawaii.

Starting in 2021, we will establish localized water use objectives and goals for each of these sites, based on a comprehensive assessment of risks and opportunities. We will also implement operational and watershed protection goals, focused on 2025 and beyond. Each site will prioritize strategies that are responsive to the varying community needs within the region in which they do business – such as groundwater replenishment, water quality or access to clean water. As part of that strategy, the sites will actively seek to collaborate with local stakeholders – such as industry, non-profit and government partners - to safeguard the overall health of the watershed as a multi-use sustainable resource. We expect these strategies to be on-going, dynamic guides to watershed integration that will be continuously responsive to stakeholder 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 partnerships with both the Monterey Bay Aquarium and the Sustainable Fisheries Partnership as part of this effort.

The Walt Disney Parks and Resorts 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, or
- From providers actively engaged in local fishery improvements and sustainability practices by participating in a credible Fishery Improvement Project (FIP) or Aquaculture Improvement Project (AIP), and
- Not listed as threatened or endangered in accordance with the IUCN Redlist.

Beginning in 2022, Walt Disney Parks and Resorts will serve 100% environmentally responsible seafood in our US parks and resorts. 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.

6. Sites that use more than 10 million gallons per year are considered high consumption sites.
7. 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.
8. 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. www.fishsource.org/
9. Our commitment to not serving seafood listed as threatened or endangered is long-standing, and will continue moving forward.
10. This goal is dependent on Walt Disney Parks and Resorts ability to resume normal operations after COVID-related shut downs.
Waste
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 Disney locations, we have increased diversion of operational waste from landfills from 49% in 2015 to 57% in 2019. 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

The Walt Disney Company is committed to working to achieve zero waste to landfill for our wholly owned and operated parks and resorts by 2030.

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.

In particular, our zero waste to landfill efforts will continue Disney’s focus on reducing food waste. When we waste food, we also waste everything that went into growing, harvesting, packaging, and transporting that food. To do our part, we will maximize food waste diversion, with Walt Disney World committing to EPA’s Food Loss and Waste 2030 Champions challenge, and meeting a minimum 50% food waste diversion.\(^{11}\) We will report on our food waste diversion every year.

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.

All of our sites remain committed to our long term zero waste goal, and will be working to achieve that by maximizing diversion. For corporate sites, cruises and our locations in Shanghai and Hong Kong, we will be working to maximize the diversion rate through waste reduction, recycling, donations and other landfill diversion solutions.

\(^{11}\) Zero waste to landfill is defined by 90% operational waste diversion, including waste to energy - thermal for Walt Disney World, Disneyland Resorts and Disneyland Paris. Food waste diversion goal includes Walt Disney World, Disneyland Resorts and Disneyland Paris.
Materials
The Walt Disney Company brings stories and characters 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, The Walt Disney Company is the largest licensor in the world. Our licensed products 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 we have across our 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 increasing the sustainability of our manufacturing network 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 recognizes 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 sustainable 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.

To prevent deforestation, we support working forests employing sustainable and responsible forest management systems, which helps 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:

- **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 certification.

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12. 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 sustainable 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,13 or be made from lower impact alternatives.14

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 Across The Business

Plastics in the natural environment pose a serious threat to the health of our ecosystems, and addressing this issue is a priority for Disney. We are committed to being part of the solution and collaborating with partners around the world to prevent plastic leakage into nature.

Our global approach to plastics is aligned with a zero waste hierarchy: to seek alternatives, reduce, reuse and recycle, where appropriate. Because waste management varies by country, we are also tailoring 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 our natural environment.

Beginning in 2018, we set 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 lines.

As a result, we have eliminated over 200 million plastic straws and stirrers, completed removal of polystyrene cups, reduced plastics in over 15,000 of our guest rooms by 80 percent by replacing all disposable toiletries with bulk amenities and minimized plastic merchandise bags.

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

As a result of the pandemic, we are faced with uncertainty about how to best reduce our single-use plastic footprint, while still prioritizing the safety and health needs brought on by COVID-19. We will work to determine the best next steps in light of these changing circumstances. We intend to make commitments to reduce single-use plastics in the future. While in the short-term there is uncertainty, in the long-term Disney is steadfast in its commitment to reduce our overall plastic footprint. We also acknowledge that there are certain areas where we must and can act now, and in those areas we are committed to immediate action.

• 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 alternative15
• The design of all of our branded packaging will ensure the ability to reuse, recycle in region or compost by 2030

Waste management on our cruise lines is taken very seriously, to ensure that no plastic or other waste leaks into nature. To further this commitment, we are taking steps to minimize single-use plastics available on board. Our first priority is guest-facing plastics, which are more prone to accidental leakage. Disney Cruise Lines will be taking significant steps to reduce the presence of single-use plastics on Disney ships.

Disney Cruise Lines is committed to reducing 80% of single-use, guest-facing items on board by 2022.16

13. 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; cellulose fibers certified by PSC and Canopy; and synthetic fibers certified by Global Recycled Standard and SCS Recycled Content.

14. 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.

15. 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.

16. This 80% reduction is measured using number of items in our plastics inventory, not by weight or volume. By setting this goal based on guest-facing items, we are able to focus our efforts on those specific plastics products that were most likely to be leaked into the environment.
Sustainable Manufacturing Facilities

Our company is also committed to working 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 facilities 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, OEKO-TEX STeP, OEKO-TEX MADE IN GREEN, Global Organic Textile Standard and Bluesign.

17. Facilities is defined as manufacturing facilities where Disney IP is applied to a product.
Sustainable Design
Sustainable Design

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.\(^{18}\) 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.\(^{19}\)

Designing and building in a sustainable way has been a core part of Disney’s strategy since the beginning. 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 and 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.

18. UN Environment

19. 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 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 goals for new projects across emissions, water and waste:

- New projects will be designed to near net zero20- 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

In order to align to best practices for the environment and occupancy, Disney's design standards will use energy, water and waste requirements from 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 ensure that we 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 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 the Company’s New York City Campus, which includes more than 1 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 project is being designed as an all-electric building, which will be achieved through the use of high performance facades, on-site solar plant, high efficiency dedicated outside air systems, waste heat recovery, demand control and electric heat pumps. Significant water reduction is being achieved through low-flow fixtures, onsite water capture and reuse for industrial purposes and irrigation. The project is also designed to support zero waste operations and will achieve a minimum of 95% construction waste diversion.

20. 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 Net Zero by 2030 goal.
Conclusion
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The Walt Disney Company is committed to conserving and enhancing natural resources for future generations. We believe environmental sustainability is core to being a responsible company, building shareholder value, engaging our Cast Members, employees and guests and ensuring that we can continue to offer unique entertainment experiences for generations to come.

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