



STRIKING A BALANCE



How we've grown our business while reducing our net impact on the environment.

A few years back, Dream and Fantasy, Disney Cruise Line's two newest ships, were just that -- the dreams and fantasies of a team of Disney Imagineers.

The Imagineers were given an ocean-sized task to accomplish: Create two new ships so that more families and kids could have access to the acclaimed Disney cruise experience.

Their instructions were to be creative, put safety first, have fun, and imagine ways to reduce the ships' carbon footprints.

It seems odd talking about something that floats on the water as having a footprint but that's the accepted way of describing the amount of carbon dioxide something sends into the atmosphere, mainly by burning fossil fuels.

Cruise ships burn a lot of fossil fuel. Our two-ship cruise line accounted for more than half of the carbon emissions generated by the entire company.

How could the size of our fleet double while we met Company goals of reduced environmental impact? The answer was creating a smart strategy and applying a bit of Disney ingenuity.

Keeping a close eye on our carbon footprint is something Disney does throughout the company. Using good old-fashioned Imagineering and state-of-the-art technology, we're reducing our impact on the global environment while building our business to meet



growing demand and, at the same time, post record revenues.

Easy? No. But it's an important and rewarding challenge for The Walt Disney Company. It's also critical to our success.

"Acting responsibly is essential to Disney's brand. If we don't act like the stories we tell, the experiences we offer, and the images we project, we lose our authenticity," is how Disney Chief Financial Officer Jay Rasulo puts it.

"You can't entertain a family on the one hand and then totally disregard the world and circumstances in which they live."

We set a goal in 2009 of getting halfway to zero net greenhouse gas emissions by the end of 2012. We did that.

Here's how:

First, by being as energy efficient as possible. That's the best way to reduce emissions. It can be as simple as turning off the lights when everyone in Sleeping Beauty's Castle goes to bed. On the new cruise ships, which have 80,000 lights each, we make sure they're LED or fluorescent. We are upgrading energy management systems, and in the case of our ships, heat reflective paint and top-grade insulation lowered heating, cooling and venting needs on the vessels by 25 percent.

Where feasible, we use alternative fuels. The steam train at Disneyland is powered by cooking oil. A 460-kilowatt solar system is part of a new parking structure in Glendale, California. It supplies 12 percent of the energy of the building and the parking structure.

If alternatives aren't available, we use fuels more efficiently. The hulls of Dream and Fantasy have a Disney-pioneered, non-toxic coating that reduces surface resistance. The propeller and rudder work together to lower demands on the propulsion system.

Finally, we invest in carbon offsets through the Disney Climate Solutions Fund. Each Disney business segment builds its projected carbon emissions into their bottom line, creating a financial incentive to find innovative solutions to keep carbon footprints as small as possible. Depending on the level of their emissions, each segment contributes to the Fund. The lower the emissions, the lower the contribution. Those contributions are then used to purchase high-quality forest carbon offsets.

Since 2009, Disney's offset investments total \$35.5 million including forest conservation, improved forest management, and reforestation projects around the world. Using this type of approach ensures that our business continues to grow but does so in a responsible way that builds a brighter future for all of us.

Did that make the carbon footprints of Dream and Fantasy dainty enough to fit into Cinderella's slipper?

No. The two ships added to Disney's emissions. But planning, commitment, and creativity allowed us to meet our 2012 reduction goals and stay on track to achieve net zero emissions in the years ahead.

The Walt Disney Company

