



Overview

OVERVIEW OF THE WALT DISNEY COMPANY

Since its founding in 1923, The Walt Disney Company has remained faithful to its commitment to produce unparalleled entertainment experiences based on the rich legacy of quality creative content and exceptional storytelling. Today, Disney is organized into five major business segments: Media Networks, Parks and Resorts, Studio Entertainment, Consumer Products and Interactive Media.

Media Networks

Media Networks encompasses an array of broadcast, cable and radio businesses globally. The Disney-ABC Television Group is home to all of The Walt Disney Company's worldwide entertainment and news television properties, including the ABC Television Network, ABC Family and 31 Disney channels Worldwide. The Company has 10 ABC-owned stations in New York; Los Angeles; Chicago; Philadelphia; San Francisco; Houston; Raleigh-Durham; Fresno; Flint; and Toledo. The Disney-ABC Television Group also manages the Radio Disney Network, general interest and non-fiction book imprint Hyperion, and the company's equity interests in Lifetime Entertainment Services, A&E Television Networks, children's entertainment properties Toon Disney, Jetix Europe, Jetix Latin America¹, and Hungama, a kids' general entertainment cable network in India. ESPN, Inc. is the world's leading multinational sports entertainment company featuring a portfolio of more than 50 multimedia assets.

Parks and Resorts

Walt Disney Parks and Resorts is not just home to Disney's beloved characters, but also the place "Where Dreams Come True." Tracing its roots to 1952, Parks and Resorts has grown to encompass the world-class Disney Cruise Line, Disney Vacation Club resorts, Adventures by Disney travel tours, and five resort locations encompassing 11 theme parks, including some owned or co-owned by independent entities.

Studio Entertainment

The Walt Disney Studios is the foundation on which Disney was built, and at its heart are world-renowned animated features and live-action motion pictures. The company distributes motion pictures under Walt Disney Pictures, Touchstone Pictures, Hollywood Pictures, Miramax Films, Disney Animation Studios

and Pixar labels. The company also distributes films internationally and to the home entertainment markets. Other businesses included in Studio Entertainment are Disney Theatrical Productions, which includes our Broadway and touring stage shows, Disney Live Family Entertainment and Disney on Ice, and Disney Music Group, which distributes original music and motion picture soundtracks through Walt Disney Records, Hollywood Records and Lyric Street Records.

Consumer Products

Disney merchandising began in 1929 when Walt Disney was approached by a businessman interested in placing Mickey Mouse on the cover of a children's writing tablet. Since then, Disney Consumer Products and affiliates have grown to extend the Disney brand to merchandise ranging from apparel, toys, home décor and books and magazines to interactive games, foods and beverages, stationery, consumer electronics and fine art. Disney Publishing Worldwide is the world's largest publisher of children's books and magazines; Disney Stores is our retail chain; and DisneyShopping.com is the company's online shopping portal.

Interactive Media

Disney Interactive Media Group² creates branded interactive entertainment and informational content across multiple platforms including online, mobile and video game consoles around the globe. Its businesses include Disney Interactive Studios, which publishes and distributes a broad portfolio of multi-platform video and mobile games; Disney Online, which produces Disney.com, the No. 1 kids' entertainment and family community website; the Disney Family Network for moms; and Club Penguin, an online virtual world designed for kids ages 6 to 14.

For more information, you can download [The Walt Disney Company's annual fact book](#).

¹ Toon Disney, Jetix Europe and Jetix Latin America were re-named in 2009.

² We began to report the Interactive Media group as a separate segment at the beginning of fiscal year 2009.

GOVERNANCE

The Walt Disney Company believes that good governance is integral to achieving long-term shareholder value. The company is committed to governance policies and practices that assure shareholder interests are represented in a thoughtful and independent manner. In pursuit of this commitment, the company's [Corporate Governance Guidelines](#) have established the policy that a substantial majority of directors be independent of the company and of the company's management. The guidelines also establish independence standards that meet, and in some cases exceed, the listing standards of the New York Stock Exchange. Currently, nine of the 12 members of the company's Board of Directors have been determined by the Board to be independent pursuant to these standards.

The Board of Directors monitors trends in governance practices to assure that it continues to meet its commitment to thoughtful and independent representation of shareholder interests. The Board has adopted a number of practices that strengthen its ability to meet this goal, including elimination of a classified board, establishment of strict independence requirements, adoption of the requirement that a substantial majority of the directors (currently nine out of 12) be independent of management, and holding of regular executive sessions of the Board without management present. In addition, the Board's Compensation Committee adopted a policy setting out the requirements for determining that the executive compensation consultant to the Committee is independent of management.

The Board has established committees to facilitate and assist in the execution of the Board's responsibilities. The three most important Committees – the Audit Committee, the Compensation Committee and the Governance and Nominating Committee – are composed entirely of independent directors. The company posts the charters of each of these three committees (as well as that of the Executive Committee, which serves primarily as a means of taking action that formally requires Board approval between regularly scheduled meetings of the Board) on its [investor relations website](#).

In order to promote and maintain high ethical standards and legal compliance, the company has adopted [Standards of Business Conduct](#) that set forth ethical standards of responsibility to Guests and customers, Cast Members and employees, the company and its shareholders, other businesses and the communities in which the company operates, as well as identifying

Chart 1: Fiscal Year 2008 Revenue and Operating Income by Business Segment^a

Segment	Revenue	Operating Income
Media Networks	\$15,857	\$4,942
Parks and Resorts	\$11,504	\$1,897
Studio Entertainment	\$7,348	\$1,086
Consumer Products	\$2,415	\$778
Interactive Media ^b	\$719	(\$258)

^aAll numbers are in millions of dollars.

^bBeginning with the first quarter fiscal 2009 financial statements, the Company is reporting its Disney Interactive Media Group along with certain new business initiatives as "Interactive Media" for segment reporting purposes. The primary operating businesses of the Disney Interactive Media Group are Disney Interactive Studios, which produces video games for global distribution, and Disney Online, which produces websites and online virtual worlds in the United States and internationally. The Disney Interactive Media Group also manages the Company's Disney-branded mobile phone initiatives. Previously, Disney Interactive Studios and Disney Online were reported in the Consumer Products and Media Networks segments, respectively, while the new business initiatives were reported in corporate and unallocated shared expenses. Prior period amounts have been reclassified to conform to the new presentation.

specific legal compliance matters. These standards are applicable to every officer and employee of the company, and the company requires regular training to promote compliance with the Standards. The Board of Directors has also adopted a separate [Code of Business Conduct and Ethics for Directors](#), which contains provisions specifically applicable to directors of the parent company.

Public Policy

Because many national and local public policy decisions affect its businesses, the company believes that active participation in the political life of the countries and communities in which it does business is in the best interests of the company and its shareholders. As a result, the company participates in policy debates on many issues to support the company's positions, and, where permitted by law and deemed appropriate by management, contributes to candidates for public office and related organizations.

Our company's political activity is carried out in compliance with applicable laws and reporting requirements.

The company does not contribute corporate funds to candidates for federal offices or organizations created to

CORPORATE RESPONSIBILITY

At The Walt Disney Company, we believe that being a good corporate citizen is not just the right thing to do; it also benefits our guests, our employees and our businesses. It makes the company a desirable place to work, reinforces the attractiveness of our brands and products and strengthens our bonds with consumers and neighbors in communities the world over.

Our Vision

The company has put in place a comprehensive, integrated approach to corporate responsibility, building on our established infrastructure for addressing crucial issues related to the environment, community, workplaces and product development. Special emphasis has been placed on how these issues affect our key audience of kids and families.

As we pursue our vision for corporate responsibility, we recognize that we'll encounter differing viewpoints and interests on the part of our shareholders, our employees, our business partners and associates and our Guests, viewers and consumers. In addition, we operate in a broad number of industries and in many countries, including developing markets where standards are still forming. Our approach is to comply with local laws and abide by Disney traditions while also engaging with a range of stakeholders to develop solutions, recognizing that we don't have all the answers and can learn from our collaboration with others. We are tackling the challenges we face as methodically as possible, guided by our enduring company principles and a results-oriented approach that is practical, thoughtful and humane.

Corporate Responsibility Governance

Corporate responsibility efforts at Disney are led by President and Chief Executive Officer Bob Iger and Senior Executive Vice President and Chief Financial Officer Tom Staggs. The company's Corporate Responsibility group is led by the Senior Vice President, Corporate Responsibility.

Certain areas of the corporate responsibility function, including environmental affairs, international labor standards and community outreach, have dedicated staff developing strategy, managing compliance and



The Team Disney building in Burbank, California, is the home of Disney's corporate offices.

support candidates for federal office. Where permitted by applicable law, we contribute corporate funds to state and local political parties, candidates for state and local office, organizations that promote such candidates or positions on state and local issues and state and local ballot initiatives. Our contributions are made on the basis of our objectives and public policy priorities and not on the basis of the partisan affiliation of the candidate or organization.

Our company has formed a federal political action committee, which accepts voluntary contributions from employees and in turn makes contributions to candidates for federal offices. Like contributions of corporate funds, contributions by the political action committee are allocated on the basis of our objectives and public policy priorities and not on the basis of the partisan affiliation of the candidate or organization.

Employees are free to exercise the right to make personal political contributions within legal limits unless such a contribution is prohibited by policies of the company. In addition, our International Labor Standards group interacts and collaborates with key governmental bodies internationally on broad-based efforts to improve factory working conditions. To read more, see the [Workplaces](#) section of the report.

Additional details regarding governance structures and policies at The Walt Disney Company are available at [The Corporate Governance](#) tab of the company's corporate website and in the company's annual proxy statement.

Chart 2: Corporate Responsibility Objectives

Focus Area	Objective
Children & Family	We strive to support the well-being of children and families.
Content & Products	We seek to create content and products responsibly.
Environment	We work to embed good environmental stewardship in the Company's decision-making process from start to finish.
Community	We aim to be a positive and productive member of the communities in which we live and work.
Workplaces	We strive to foster safe, inclusive and respectful workplaces wherever we do business and wherever our products are made.

overseeing communications. In addition, a small strategic team reporting to the Senior Vice President, Corporate Responsibility is responsible for developing the company's enterprise-wide, integrated approach to corporate responsibility. Beyond these dedicated teams, there are employees throughout the company's businesses focused on the safety and security of our Guests and consumers and on maintaining high ethical standards in the creation, production and marketing of our products, services and experiences.

Corporate responsibility efforts and performance are periodically reported to the Disney Board of Directors.

Additionally, the Audit Committee of the Board regularly receives reports on the Company's international labor standards program.

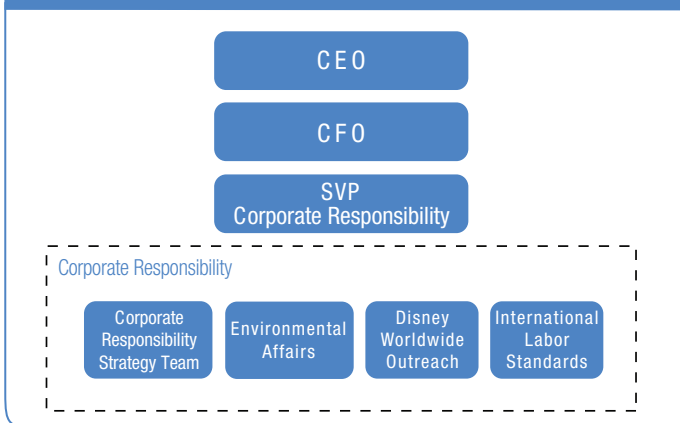
Business Integration

Disney strives to integrate corporate responsibility into everything we do. From sourcing our products, to consumer marketing to selling at the retail level – we aim to conduct all of our businesses according to our high ethical standards.

Given the scope of our enterprise, Disney takes a decentralized approach to management. That means we have empowered our different business units to determine how to best create and market their products and experiences. Business unit leaders share a strong commitment to quality and to making sure they act responsibly in their approach to developing, producing, marketing and distributing their products and entertainment.

With this report, we are providing a systematic overview of what we've achieved and what we intend to achieve, with an emphasis on measurement and communication. In doing so, we hope to illustrate how we incorporate our commitment to corporate responsibility into everything we do.

Chart 3: Corporate Responsibility at Disney





Disney stakeholders encompass many groups, including our many employees around the world, like these Cast Members from Hong Kong Disneyland.

STAKEHOLDER ENGAGEMENT

Few companies have as devoted a following as The Walt Disney Company. And even fewer are as heavily scrutinized as Disney. While complete consensus among all the divergent stakeholder interests is probably an impossible outcome, we seek to achieve transparency, so that stakeholders can understand our actions and our intentions. The company also believes that working with stakeholders enhances its ability to address impacts and contribute solutions to some of today's most important challenges while generating value for shareholders.

The Disney enterprise is a broad range of businesses that spans multiple technology platforms and different global markets. When it comes to Corporate Responsibility, we take a broad view of potential stakeholders, including people or organizations that can affect, or be affected by, Disney. This includes employees, consumers, communities, shareholders, distributors, licensees, suppliers, retailers, contract workers, nonprofit and nongovernmental organizations, media and governmental organizations.

Let's look at a few examples:

- Our International Labor Standards group has worked closely with Disney Consumer Products to monitor and promote improved working conditions at factories producing Disney goods under license.
- Our Worldwide Outreach group has partnered with our Media Networks group to produce public service announcements on a wide range of social and environmental issues.
- Our Environmental Affairs team consulted with Studio Entertainment in connection with the launch of a new production banner, Disneynature, which will release full-length nature documentaries in theaters.

While progress has been made to integrate corporate responsibility into our many businesses, we believe there is still more to be done. Among other things, we are currently exploring the development of specific corporate responsibility metrics that can be assimilated into the operational plans of key business units. We realize this type of enterprise-wide approach will take time, but we believe it will be worth the effort.

Recent Engagements

We engage with stakeholders routinely and in a variety of ways, including in-person and Web-based meetings, conference calls, correspondence, working groups and workshops, and conferences and events. Frequently this engagement focuses on projects of joint interest.

One example has been our work with Project Kaleidoscope. During this multiyear project, Disney collaborated with McDonald's Corporation and a group of investor organizations on a common objective to improve conditions in factories. The project aimed to create internal systems that rely on enhanced training and education for management, supervisors and factory workers along with positive compliance incentives to supplement the traditional audit-focused compliance processes. Results of the project released in 2008 indicate that the approach is a viable one.

At our parks and resorts, we routinely conduct surveys among Cast Members, nonprofit and community leaders, government officials and the general public in the United States, France and Hong Kong in order to gain insight into issues of concern to our stakeholders. Results from these surveys help inform business choices.

In developing our environmental strategies, we've worked with Conservation International (CI), a well-known nongovernmental organization. In 2007, CI hosted a comprehensive education session for Disney's Environmental Council³, giving members a solid understanding of pivotal environmental issues, how corporate America and the U.S. government have responded to those issues, and a recommended collaboration led to the development of a comprehensive direction for Disney's environmental strategy. This collaboration led to the development of a comprehensive and focused long-term environmental strategy for the Company.

In developing this comprehensive report, we engaged selected stakeholders in a dialogue around the content and our process. As part of the process we had one

in-person meeting with these stakeholders to review a rough draft of the report and several follow-up phone calls to clarify additional comments. These stakeholders have broad industry experience and provided invaluable external perspective on how and what we should include in the report.

Going Forward

While engagement around this report represents an important step for transparency and accountability at Disney, we are looking forward to increasing the dialogue with a broader group of stakeholders in the coming years as we continue to identify, prioritize and address key responsibility issues for the company. ♡

³ For more on Disney's Environmental Council, go to our [Environment](#) section.

**A MULTIMEDIA VERSION OF THIS REPORT IS AVAILABLE AT
www.disney.com/crreport**

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