

Time Warner

2006

Corporate
Social
Responsibility
Report



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1.

Company Overview

LETTER FROM RICHARD D. PARSONS

As the world's leading media company, Time Warner is committed to being a world-class corporate citizen. We know that, in order to succeed as a business and as a responsible citizen, our actions must be guided by the highest standards of ethics. You should expect nothing less from us.

What does being a good corporate citizen mean? It means that we work hard to deliver attractive returns and exceptional value to our shareholders. At the same time, it means that every day, in every one of our operations around the world, we strive to do our part to make the world a better place. As a global media company that has made a commitment to free expression, we can provide a platform for a free flow of information and ideas. We seek to deliver information, entertainment and communications of the highest quality to hundreds of millions of people. We try to provide opportunities for our employees to flourish. We aim to minimize our environmental footprint, and give back to the communities where we live and work. This is what corporate citizenship is all about at Time Warner.

Corporate social responsibility is not an afterthought at our company. It is central to what we do. That's because Time Warner cannot be a great company unless we are a good company. In order to reach our potential, we need to earn the respect of our shareholders, customers, partners and employees. We have learned that the best way to do that is to foster creativity, innovation and diversity throughout all of our enterprises, while at the same time aligning our business practices with our highest values. It's simply good business to do so.

I am proud of all we are doing to be a good company and a good citizen. I am also pleased to present this, our first comprehensive report on the company's corporate social responsibility activities. We know, however, there is always more to be done. You should consider this report, and our CSR work to date, as the first steps on a journey. We welcome your feedback. Please know that we will continue to review our policies and practices to ensure that Time Warner remains a leader not only in creative excellence, but also in corporate social responsibility.



Portrait by Timothy Greenfield-Sanders

Richard D. Parsons
Chairman of
the Board and Chief
Executive Officer

A handwritten signature in black ink that reads "R. D. Parsons".

Richard D. Parsons
Chairman and Chief Executive Officer
May 10, 2006

TIME WARNER PROFILE

AOL •

HBO


NEW LINE CINEMA

Time Inc.

 TIME WARNER
CABLE





Time Warner Inc. is a leading global media and entertainment company with businesses in filmed entertainment, interactive services, television networks, cable systems and publishing.

Whether measured by quality, popularity or financial results, our divisions are leaders. AOL, HBO, New Line Cinema, Time Inc., Time Warner Cable, Turner Broadcasting System and Warner Bros. Entertainment maintain unrivaled reputations for creativity and excellence as they keep people informed, entertained and connected.

AOL

AOL operates a leading network of Web brands, reaching more than 100 million U.S. visitors monthly, as well as the nation's largest Internet access subscription service with more than 25 million members in the U.S., Canada and Europe as of December 2005. The AOL network of services includes industry-leading Web brands such as AOL.com, AIM, MapQuest, Moviefone, Netscape, ICQ and many more.

Home Box Office

America's most successful premium television network, Home Box Office, delivers two 24-hour premium television services — HBO and Cinemax — to nearly 40 million U.S. subscribers as of December 2005, with joint ventures bringing its services to more than 50 countries around the world. HBO is the most-watched pay service in the U.S. — offering original series, HBO Films presentations, Hollywood blockbusters, documentaries, concerts and championship boxing. Cinemax is the second-most-watched pay service, showing more than 1,200 movie titles annually.

New Line Cinema

New Line Cinema is one of the most successful independent film companies in the world, producing innovative and popular entertainment. In addition to the production, marketing and distribution of theatrical motion pictures, the fully integrated studio has divisions devoted to home entertainment, television, music, theater, merchandising, and an international unit.

Time Inc.

Time Inc. is the world's leading magazine publisher, with over 145 titles that are read more than 300 million times worldwide each month. With such trusted brands as *Time*, *Fortune*, *Sports Illustrated*, *People*, *Cooking Light*, *In Style* and *Real Simple*, Time Inc. connects with consumers on multiple platforms, including online, television, wireless, events and retail.

Time Warner Cable

The second-largest cable company in the U.S., Time Warner Cable is a leader in its industry in high-speed data, Digital Phone (VOIP) and enhanced digital video products and services. Time Warner Cable owns or manages cable systems serving nearly 11 million subscribers in 27 states as of December 2005, including some of the most technologically advanced, best-clustered cable systems in the country.

Turner Broadcasting

Turner Broadcasting is a global portfolio of focused entertainment, animation and news businesses and brands that are leaders in their segments. Networks include CNN, TBS, TNT and Cartoon Network. During 2005, an average of 90 million U.S. households watched TBS and TNT.

Warner Bros. Entertainment

Warner Bros. stands at the forefront of the entertainment industry by creating, producing, distributing, licensing and marketing feature films, television shows, home video and animation. The Studio's domestic box office last year totaled \$1.4 billion, making 2005 the Studio's best year ever. Warner Bros. Pictures set an industry record with three films — *Batman Begins*, *Charlie and the Chocolate Factory* and *Harry Potter and the Goblet of Fire* — that each grossed more than \$200 million domestically in a single year.

Time Warner's Corporate headquarters works with each business to develop companywide strategies, expand our markets and create partnerships. Corporate offices include Global Public Policy, Investor Relations, Legal, Communications, Finance, and Administration, which includes Human Resources and Corporate Social Responsibility.

Leadership, Innovation, Collaboration and Diversity are key to the success of our company. Each year we recognize the achievements of employees who distinguish themselves in demonstrating extraordinary accomplishments in modeling one of these principles through the company's highest honor, the Time Warner Chairman's Award.

Leadership

Exceptional people and businesses deserve the highest caliber of leadership to help them reach their potential.

Innovation

Creativity and innovation are longstanding drivers of success at Time Warner. They are vital to our future growth.

Collaboration

Our enterprise is more than a collection of great brands under one roof. Time Warner businesses strive to gain competitive advantage by collaborating, and by using our scale, expertise and abilities to drive greater returns to customers and shareholders.

Diversity

We employ a diverse workforce and create a rich array of content and services. Embracing diversity is the right thing to do, and it is good for our business.

CORPORATE SUMMARY

Chairman and Chief Executive Officer

Richard D. Parsons

Employees

Approximately 87,000 worldwide (2005)

Employee Headcount (2005)

Business	Number of Employees
AOL	11,200
Corporate	750
HBO	2,000
New Line Cinema	600
Time Inc.	9,300
Time Warner Cable	34,500
Turner Broadcasting System	8,500
Warner Bros.	4,600
International (all divisions)	15,550
Total	87,000

Ownership

Time Warner is incorporated in Delaware, U.S. Time Warner common stock is traded on the New York Stock Exchange, under the symbol "TWX."

Total shares of common stock outstanding as of December 31, 2005: 4.585 billion.

International Operations

Time Warner has a presence in approximately 60 countries (2005).

Headquarters

New York, New York, U.S.

FINANCIAL OVERVIEW

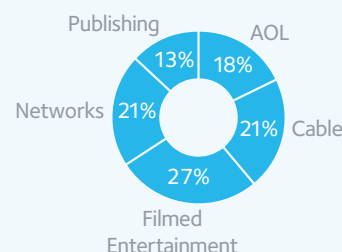
Revenues

(dollars in millions)



Revenues

(2005 contribution by segment)



(dollars in millions)

(data as of December 31, 2005)

Revenues:	2004	2005
AOL	8,692	8,283
Cable	8,484	9,498
Filmed Entertainment	11,853	11,924
Networks	9,054	9,611
Publishing	5,565	5,846
Intersegment Eliminations	(1,559)	(1,510)
Total	42,089	43,652

Scope of Report

This report provides an overview of our policies and practices in corporate social responsibility. Its scope and structure reflect the breadth of issues and opportunities facing Time Warner and its business units.

While the report highlights successes and challenges during calendar year 2005, our intent is to take a long-term view of our performance as a corporate citizen. Rather than looking at each business, one at a time, the report is organized around a set of topics — customers and content, the workplace, the environment — that our businesses confront in varying degrees. We decided to look at the key issue of diversity in several sections of the report because we seek diversity in our content, in our workforce and among our suppliers.

We identified internally, and in cooperation with our stakeholders, the following topics that are particularly relevant to our company's operations:

Customers and Content

- Journalistic Integrity
- Socially Responsible Programming
- Content Accessibility
- Consumer Privacy
- Content Diversity
- Child Protection

Ethics, Governance and Public Policy

- Board Responsibility and Structure
- Standards of Business Conduct
- Key Policy Objectives
- Political Contributions

Employees and Workplace

- Employee Growth and Development
- Diversity
- Health and Safety

Environment

- Time Warner Environmental Statement
- Paper and Printing
- Recycling
- Green Building Design

Supply Chain

- Supplier Diversity
- Green Procurement
- Supply Chain Management

Community

- Philanthropy: Education and the Arts
- Employee Giving and Volunteerism
- Global Relief Efforts

Relevant Metrics: Present and Future

One significant challenge in drafting this report was identifying relevant metrics. As a Fortune 100 company, we know how to develop financial metrics and goals. Measuring our social and environmental impact is far more difficult. We plan to continue to develop appropriate metrics for measuring our CSR work as our company moves forward. We intend to report on our corporate citizenship efforts every two years.

Stakeholder Engagement

Being a responsible leader means being a good listener. At Time Warner, our leaders listen to people inside and outside the company who have a stake in our future. Of course, we listen to our investors first and foremost. But we also engage in discussions with customers, employees, policy makers, elected officials, opinion leaders and nonprofit organizations. These groups, who are often called stakeholders, helped us develop this report. Their advice will guide us as we continue to improve our practices.

Together with Ceres, the largest nonprofit coalition of investors, environmental and public-interest organizations in North America, we developed a stakeholder engagement process prior to the development of this report that enabled us to gain feedback from groups such as the American Association of People with Disabilities, the National Recycling Coalition, the National Council of La Raza, the Calvert Group of socially responsible mutual funds, the American Library Association, the Center for Democracy & Technology, the World Resources Institute and the Interfaith Center on Corporate Responsibility, a coalition of faith-based investors. These are among the many groups that provide us input on our social and environmental work. For example, through an open dialogue with these stakeholders about our first CSR report, we listened to concerns and included information based on their suggestions.

Global Reporting Initiative

As we developed this report, we were guided by the 2002 Global Reporting Initiative (GRI). The GRI, an attempt to develop a common framework for sustainability reporting, helped us to determine relevant subject areas and appropriate metrics. We have referenced the indicators and our use of them on page 46. We expect to be in accordance with the guidelines in our next report.

Socially Responsible Ratings by Third-Party Agencies

Integrating personal values and social and environmental concerns with investment decisions is called Socially Responsible Investing (SRI). SRI has grown over the last decade, and third-party ratings agencies have developed to assess the social and environmental performance of publicly traded companies. As a public company, we are mindful of these indicators, and our goal is to work to remain in good standing in the indexes, like the Dow Jones Sustainability Index, that our investors rely on most.

CSR throughout the Company

Corporate social responsibility is embedded throughout our company. Time Warner’s Nominating and Governance committee is responsible for providing overall guidance on Time Warner’s CSR issues. Other committees focus on related topics under their particular area of oversight. For example, the Audit and Finance committee monitors the controls around the company’s financial disclosure practices and the Compensation and Human Development committee oversees aspects of employee training and diversity. We have a Corporate Responsibility office, led by a Senior Vice President who reports directly to the Executive Vice President of Administration at Time Warner Corporate. This team is dedicated to facilitating work across the businesses around CSR. We also have one senior-level working group and three cross-divisional working groups — Environmental, Supply Chain and Philanthropy — that serve as arenas for innovation and collaboration on specific CSR-related areas. This commitment of senior-level executives who focus on CSR puts us at the forefront of U.S.-based global media companies.

Chairman and CEO			
Executive Vice President, Administration			
Office of Corporate Responsibility			
Corporate Executive Working Group	Environmental Sustainability Working Group (Cross-Divisional)	Supply Chain Working Group (Cross-Divisional)	Philanthropy Council (Cross-Divisional)

2.

Customers and Content

CUSTOMERS AND CONTENT: INTRODUCTION

Time Warner has its greatest impact on society as a creator and distributor of news, information and entertainment. That is why this section, called Customers and Content, is featured so prominently in this report. But what is “socially responsible” content? Like beauty, it tends to be in the eye of the beholder. The best definition we can offer is to say that socially responsible content serves the public good in some way — by entertaining or informing audiences, by spotlighting important issues, by provoking debate and self-examination or simply by providing a respite from daily life.

Time Warner, as a company, takes seriously its obligations as a content provider. We strongly support the free flow of information to all parts of the world. Journalistic integrity is a bedrock principle for our businesses that report, analyze and deliver the news. In our creative businesses, from film to television, print and online, we believe we can play a constructive role in a number of ways — by shining a light on social issues, by working to increase culturally diverse programming, by ensuring that our content is easily accessible to those with disabilities and, of course, by delivering enjoyment to consumers. Finally, we are committed to giving parents the information and tools they need to make smart decisions about what their children view and read, online and off.

JOURNALISTIC INTEGRITY

At Time Warner, journalistic integrity is sacrosanct. It is a core value that is protected not only because it is “right,” but because without it the reputation and value of our journalistic outlets would be greatly diminished.

Time Inc.’s founder, Henry Luce, wrote that Time Inc. is “principally a journalistic enterprise and, as such, an enterprise to be operated in the public interest as well as in the interest of its stockholders.” When asked about CNN’s mission, its founder, Ted Turner, said: “To create a positive force in a world where cynics abound, to provide information to people when it wasn’t available before.” Today those commitments extend to all of Time Warner’s journalism at Time Inc., CNN, AOL and Time Warner Cable. Our financial success is inextricably linked to our credibility and to the editorial independence of our journalistic enterprises.

Time Inc.

At Time Inc., the Editor-in-Chief is responsible for providing readers of its 145 magazines and 90+ Web sites with reporting, analysis, review and commentary. Time Inc. publications won scores of awards in 2005, including four National Magazine Awards.

We are proud that our magazines and Web sites provide unbiased coverage of the advertisers who do business with the company and of Time Warner itself. For example, *Fortune* magazine’s coverage of Time Warner has been notably tough-minded and *Fortune* and other magazines have published stories critical of companies that advertise with them. While some companies have withdrawn advertising dollars due to such coverage, Time Inc. believes that it is in both its long-term financial interest and the public interest to continue to provide unbiased coverage of the business community.

Time Magazine in the News

In 2005, Time Inc. found itself at the center of a national debate on the protection of reporters’ confidential sources after an article by *Time* White House correspondent Matt Cooper regarding the leak of the identity of a CIA operative. Time Inc. decided to turn over emails and other documents to the Special Counsel after the U.S. Supreme Court refused to hear an appeal from an appellate court decision affirming a lower court decision that held Cooper and Time Inc. in contempt if they failed to comply with the order to produce the documents.

Time Inc. believes strongly in the protection of journalists and their sources. After careful consideration, the Editor-in-Chief concluded that in this case, the appropriate course of action was to comply with the Court’s order and turn over the documents. Time Inc. continues to support passage of bipartisan legislation to create a federal shield law for journalists.

The Time Inc. decision prompted great debate within journalistic and legal circles about the use of confidential sources, and Time Inc. reevaluated its policies on the subject and revised its editorial guidelines governing both the use of information from anonymous sources in our publications and the agreements made with sources.

CNN

CNN’s News Standards and Practices office was established in 1988 to set and monitor editorial standards. The office, which is independent of any



Soledad O’Brien anchors CNN’s *American Morning*.



In 2005, *Time* shared an Emmy (its 2nd) for a joint report with ABC News called Iraq: Where Things Stand.



Wolf Blitzer anchors CNN’s *The Situation Room* and *Late Edition with Wolf Blitzer*.



Time Inc.’s *Health* provides useful information to help individuals achieve healthier lives.

network or program, serves as the final check-point for investigative, controversial or sensitive stories, or those alleging wrongdoing.

The excellence of CNN's journalism has been recognized by its industry peers. In 2005, CNN won 50 awards, including the prestigious Alfred I. DuPont—Columbia University Award for its coverage of the Indian Ocean tsunami and a George Foster Peabody Award for its distinguished coverage of Hurricane Katrina and its aftermath.

The opinions of CNN's viewers are not just valued, they are a regular part of the network's news coverage. CNN receives more than 200 questions a day about its news reports, people and practices. It reviews each one, and strives to answer them within 24 hours. CNN also regularly incorporates viewer opinions, sent via email, into its coverage of the day's news.

2005 — CSR-Related Time Inc. Award Highlights

- *People* was named "Outstanding Magazine, Overall Coverage" by the Gay & Lesbian Alliance Against Defamation (GLAAD).
- *People* was awarded the 2005 Partner for Life Leadership Award (Whitman Walker Clinic) for reducing the stigma around HIV.
- *Sports Illustrated For Kids* was the recipient of the 2005 Parents' Choice Magazine Award.
- *Time* won a 2005 National Magazine Award for photography for "The Tragedy of Sudan," about the genocide in the Darfur region of Sudan.

AOL

AOL is committed to ensuring that members can trust the information, products and services delivered to them. AOL works hard so that users know the identity of sources of content so they can judge its value and its reliability. Reprinted stories include disclosure of the original source and publication date. Through AOL's "Daily Pulse" and "The Feed" blogs, users can provide instant feedback on story choice, coverage and programming decisions.

Time Warner Cable

Time Warner Cable operates 24-hour regional news channels in Texas (News 8 Austin), North Carolina (News 14 Carolina Charlotte and Raleigh) and New York (NY1 News, NY1 Noticias, R News Rochester, News 10 Now Syracuse, and Capital News 9 Albany). Since the launch of the flagship news channel, NY1 News, in 1992, the station has followed practices designed to ensure that all information that airs is accurate and unbiased.

The Time Warner Cable news channels provide unprecedented levels of coverage of local politics and government. During 2005, the news channels carried community political forums, debates and candidate forums. Earlier this year, the New York State News Division launched a statewide nightly political program.

New Interactive Technology at NY1

NY1 has been at the forefront in the area of viewer interactivity. Utilizing interactive technologies, viewers have been given a new voice through the cable remote as well as more traditional methods of interactivity such as live telephone call-in and online polling. Last year, NY1 launched a new program that allows viewers to determine the stories that they want to see, through an online polling interface. Time Warner Cable's Hawaii division was the first to test interactivity. Now all Time Warner Cable divisions are testing a variety of interactive applications. In addition to voting and polling, viewers in various Time Warner Cable divisions can play interactive games in real time, check their bids on eBay on TV, purchase products or pay their bills, all with the ease of pushing some buttons on their remote control.

A BEHIND-THE-SCENES LOOK AT THE NEWS: INTERVIEW WITH CNN'S ANDERSON COOPER

Q. I've read that, after Yale, you wanted to be a reporter so badly that you traveled on your own to do stories. True?

A. I wanted to get into news, and I couldn't get an entry-level job at ABC. So I got a home video camera and decided to go cover a war. I traveled around Southeast Asia and lived in Vietnam for a while, and then traveled in Somalia.

Q. What was it about journalism that appealed to you?

A. I remember the first time I told a story. I snuck into Burma, and hooked up with some students opposing the Burmese government. And I realized that this was everything I wanted in a job — travel, creativity, doing something I thought was important. I liked having the ability to tell someone's story, and the relationship you could develop, and the trust they put in you to tell their story. I found it moving and appealing, and I wanted to learn more about it, and explore that relationship.

Q. How much influence do you have over the stories that are covered on *Anderson Cooper 360°*?

A. The decisions about what goes on the show are ones that I make along with the executive producers and senior producers. The best way to get a show that reflects differing viewpoints is to get people together with different backgrounds and ideas.

Q. What stories do you like to cover?

A. I like to cover a mix of stories. I don't believe in wearing my opinion on my sleeve. I know it's popular in cable news. It's just not something I subscribe to.

My interest has always been international reporting. My instinct is often to look for stories that other people aren't telling, or stories that may be out of the headlines but remain important. We spent a week in Niger this past summer. I happened to be in Africa on vacation, and was reading about the famine in Niger, and called up the show and said, "Let's go." That's what's great about this job. If there are stories we feel passionate about, we can go and do them.

Q. That raises the question of how you balance what people seem to watch — I'm thinking of all the coverage of crime stories like the Laci Peterson murder — with the need to tell important stories that viewers may not be as eager to hear.

A. There is always going to be tension. If ratings are all you care about, you build a certain kind of show, and it's pretty obvious what kind of show that would be. Ratings are obviously important. I'd like to keep my job. But there are things that are more important. I think CNN keeps that in perspective. I don't have people calling me up and saying, "Get the ratings." When management people call me, it's to say, "This is an interesting story. Let's look at it."

Q. The story you are identified with most closely is Hurricane Katrina, right?

A. I take great pride in the Peabody Award that CNN won for Katrina coverage. That's a story we believed in, and we continue to believe in. I cover it virtually every night. I try to repeatedly go back. Part of the United States was ripped apart, and part of the heart of the United States was cut out.

To me, it's not a question of "why do we continue to do that story?" To me, the question is "why aren't more people continuing to focus on what's going on there?" For the people in the Gulf states, the winds of Katrina are still blowing.

Q. So you see your role, in part, as the traditional journalistic role of putting a spotlight on problems in the hope that something will then get done.

A. Yes, we have to be more than just a catalog of who's missing, or a catalog of crime stories. For some people in cable news, that's all they do, that's all they traffic in. Well, that's not what is happening in the United States. Those stories may be interesting or titillating and they are certainly tragic for the people involved, but they are not the war in Iraq. They are not stories that will be truly important in the long term, for all of us, and for our children and grandchildren.

I do believe we have a responsibility, and it's easy to lose sight of that in this highly competitive, highly charged cable news environment. I don't think CNN has lost sight of that, and I don't think we will.



Anderson Cooper hosts *Anderson Cooper 360°* on CNN.

SOCIALLY RESPONSIBLE PROGRAMMING



Former President Bill Clinton, U.N. Secretary-General Kofi Annan, and Turner Broadcasting founder Ted Turner during the *Time* Global Health Summit, November 1–3, 2005, in New York City. www.time.com/time/2005/globalhealth.

We are particularly proud of the company's long history in developing programming that focuses on critical social, political and environmental challenges. Below are a few examples of what we produced across the company in 2005.

HBO's *Born Into Brothels*, which won an Academy Award for Best Documentary Feature, tells the story of the overcrowded tenements that mark the squalid world of Calcutta's red-light district through the eyes of children. HBO also created *I Have Tourette's But Tourette's Doesn't Have Me*, an insightful family documentary that takes a candid look at the lives of several American children growing up with Tourette's syndrome. *Children of Beslan* is an HBO documentary special that tells the story of a harrowing attack by rebel extremists at a school in Russia.

Warner Independent Pictures' *Good Night, and Good Luck* chronicles the early days of broadcast journalism in the 1950s, when CBS correspondent Edward R. Murrow defied pressures to examine the misdeeds of U.S. Senator Joseph McCarthy during the communist "witch-hunts."

Warner Bros. Pictures' *North Country* tells the inspiring story of a single mother who fights sexual harassment in the iron mines of Minnesota.

Warner Bros. Animation delivers socially responsible messages in its children's programming, teaching children about, for example, responsible citizenship and the dangers of smoking.

Turner Broadcasting System created *Elfy Food*, an original animated series that uses elves to promote good nutrition. Launched in November 2005 in the United Kingdom, the series is supported by an in-school education program.

Time magazine organized a Global Health Summit in November 2005, focusing on such major health problems as AIDS, malaria and TB. Speakers included former President Bill Clinton, Microsoft's Bill Gates and musician-activist Bono.

CNN's coverage of Hurricane Katrina and the Indian Ocean tsunami went beyond news reporting to help locate victims and reunite families.

AOL Wins Daytime Emmy for Live 8 Broadcasts

Timed with the G8 summit in Scotland, the Live 8 concerts were held on July 2, 2005, in ten cities around the world: London, Philadelphia, Paris, Berlin, Rome, Toronto, Tokyo, Johannesburg, Moscow and Cornwall with the goal to "make poverty history." As the exclusive online partner, AOL brought together a worldwide audience for a groundbreaking simultaneous on-demand broadcast of the Live 8 concerts from multiple cities. For the record-setting broadcasts of the Live 8 concerts, AOL won the first Daytime Emmy in the new nontraditional broadband delivery platform category.

Photo from *Born Into Brothels*-courtesy HBO®



HBO's *Born Into Brothels* is a heartfelt tribute to the resiliency of childhood.

Elfy Food, created by Turner Broadcasting, promotes good nutrition among children.

AOL's on-demand broadcast of Live 8.

Tobacco Depictions in Films and Television

Time Warner works hard to conduct itself in a responsible manner regarding the depiction of smoking in our films. This year, the company took significant steps to limit the portrayal of tobacco in our films by creating a companywide policy to address the issue. The policy focuses on limiting tobacco use in films marketed to youth and limiting depictions where they are not integral to the story.

In 2005, Warner Bros. Pictures produced a major film, *Constantine*, based on a comic-book character. The film tells the story of a mortal hero fighting the Devil. Constantine, a heavy smoker, is dying of lung cancer. In the end, Constantine quits smoking and his life is redeemed. *Constantine* received a Pink Lung rating from Breathe California's scenesmoking.org.

Warner Bros. also released *Good Night, and Good Luck*, a factual story about CBS newsman Edward R. Murrow, where smoking is depicted for historical accuracy. Like *Constantine*, the film received a Pink Lung rating from scenesmoking.org.

In 2006, Warner Bros. plans to include the Time Warner Smoking Statement in its Feature Production Manual, Feature Distribution Manual and TV Production Manual.

Time Warner Policy on the Depiction of Smoking in Films

Time Warner has a fundamental interest in making films that appeal to a wide array of audiences. When we develop films, we work with our creative talent to ensure, to the greatest extent possible, that smoking is not depicted in our films unless there is a compelling creative reason and the depiction is integral to the character or scene in question. We are also pursuing strategies for limiting the depiction of smoking in movies marketed to youth. Our practices currently include the following:

- Time Warner business units do not enter into any product placement or promotion deals with tobacco companies for any of our films.
- For movies produced in the United States by Time Warner business units, the company strongly discourages the depiction of smoking in movies primarily marketed to youth and seeks to limit the depiction of smoking in movies marketed to mixed audiences where it is gratuitous and/or not integral to the story or accuracy of the film.
- For movies produced outside the United States or where Time Warner business units' influence over the content of films is limited (such as movies co-produced by Time Warner businesses and movies produced by others that are distributed by Time Warner businesses), Time Warner discourages the depiction of smoking where the company believes it is appropriate to do so.

Time Warner works hard to conduct itself in a responsible, socially conscious manner when it comes to the depiction of tobacco in our programming, and we remain sensitive to public concerns about tobacco as they develop and change over time.



David Strathairn as Edward R. Murrow in Warner Bros.' *Good Night, and Good Luck*.

CONTENT ACCESSIBILITY



Tom Wlodkowski, AOL's Director of Accessibility, was featured in *Careers & the Disabled* magazine for his work in driving employee awareness about accessibility issues.

Time Warner is committed to making its content accessible to people with disabilities. As our technology improves, we plan to do more.

AOL Online Accessibility Policy

AOL has become a leader among Internet service providers (ISPs), particularly within the deaf community, by providing features like streaming closed captions and the AIM Relay service. AOL believes that the Internet and AOL should be friendly and easy to use for all consumers, including those with disabilities. To that end, AOL developed an Accessibility Policy around three fundamental principles: awareness, collaboration and responsibility.

Awareness

AOL employees need to understand the opportunities the Internet provides to people with disabilities. To that end, AOL's accessibility office organizes company-wide awareness events. Past events featured deaf actress Marlee Matlin, blind world class athlete Eric Weihenmayer and health-care attorney and disability advocate Ted Kennedy Jr., as well as demonstrations of technology that enables people with disabilities to access computers and the Internet.

Collaboration

Guidance from the disabled community is an essential component in developing accessible products and services. AOL established and meets regularly with the AOL Accessibility Advisory Committee, consisting of leading advocacy and accessible technology experts.

Responsibility

AOL's Director of Accessibility is responsible for the evolution of AOL products, focusing on opportunities to enhance their value to people with disabilities.

Recent accomplishments include:

- 1 Launch of the AIM Relay Service: This service allows individuals who are deaf, hard-of-hearing or who have a speech disability to communicate via any standard or mobile telephone user in the United States with instant messaging. Relay providers read the instant messages out loud to the hearing caller, and type the responses back via instant message to the deaf caller. AOL has partnerships with six relay providers, including one that allows users to communicate by using American Sign Language in video instant messages.
- 2 Closed Captions: AOL was the first commercial ISP to offer closed captions on select news and entertainment video content. Currently, AOL, AOL's online channel for kids ages six to 12, offers closed captions on two cartoon series, *Princess Natasha* and *SKWOD*.

Warner Bros. Entertainment

Warner Bros. makes all of its releases available with open and closed captions for the deaf and hard-of-hearing audience. Some first-run films, including *Syriana*, the Harry Potter franchise, *Million Dollar Baby* and *Batman Begins*, are also made available with video description for the blind in theaters equipped with the RearWindow® Captioning and DVS Theatrical® systems. In 2005, four out of 19 releases offered video description. All Warner Bros. DVDs have captioning or subtitles for the deaf and hard-of-hearing, and some titles have a description narration track for the blind.

Time Inc.

In 2005 Time Interactive began an effort to make Internet sites for major publications accessible to people with disabilities. New pages under development must meet W3C Priority 1 Checkpoints established by the Web Accessibility Initiative's Web Content Accessibility working group. W3C is an international consortium that works to develop web standards.

Time Warner Cable

Time Warner Cable customers can take advantage of closed captioning programming. The company's Digital Phone product is compatible with TTY text telephone devices used by people who are deaf or hard-of-hearing.

Turner Broadcasting

Turner Classic Movies has been adding video description to four to six titles per year. TNT also adds video description to every *Law & Order* episode, even though the FCC no longer mandates such descriptive services. All Turner networks continue to meet or exceed the FCC Closed Captioning mandate. TNT, TBS and TCM currently have approximately 675 described titles for blind users, including episodes of *Sex and the City*, *Ripley's Believe It or Not* and hundreds of theatrical and television movies.

Accessible CSR Report

Time Warner is reviewing its corporate Web site and is examining ways to make it more accessible to people with disabilities. To that end, we have built this report with features designed to make it as accessible as possible, including the ability to access the report in PDF format and as a Microsoft Word document from our corporate website, www.timewarner.com/citizenship. The PDF has been designed to be compatible with the types of assistive technology used by people with disabilities, including screen readers. We recommend that users download the latest version of Adobe Acrobat to view Adobe PDF files.

CONSUMER PRIVACY

Protecting consumer privacy is important to all our businesses. We devote significant resources to privacy protection, and we are committed to being open about how we collect and use consumer data. Our corporate privacy policy, which applies to all of our businesses, is available at www.timewarner.com/corp/legal_and_privacy.html.

Following are a few highlights from our business units.

Time Inc.

Time Inc. has a clear and concise privacy policy that applies to online and offline consumer information gathered through subscriptions. The policy explains Time Inc.'s information practices and the choices consumers can make about the way their information is collected and used by Time Inc., third-party sites and sponsors. More detailed information can be found at www.time.com/privacynotice.



The AOL® Safety & Security Center helps protect customers with a comprehensive set of safety tools.

AOL

The range of threats to users' privacy in the online world is broad and growing, from hackers to spammers, phishers, viruses, spyware and identity thieves. AOL protects the privacy of its users through the AOL® Safety and Security Center, the Internet's most comprehensive set of safety tools, which is centrally located and included with the AOL service at no extra charge. The AOL® Safety and Security Center protects online users through such features as:

- Virus protection that is automatically updated to help protect members' entire computers from viruses, trojans and other online threats.
- Spyware protection that offers four different levels of protection against more than 28,000 known spyware, adware and sneakyware programs.
- A leading firewall that helps protect members against hackers and other attacks from the Internet.
- Robust parental controls that help limit access by children to inappropriate content on the Web and allow parents to configure custom controls, such as an online timer and a regular AOL® Guardian report card of their activity online.
- AOL® Money Alerts to help protect members from offline identity theft by warning them whenever a credit card charge or bank account transaction is made over a preset limit.
- A single unified console that updates users about the status of all of the AOL security software on their computer, including anti-virus, spyware protection, firewall, phishing protection, parental controls, spam protection, pop-up controls and more.

AOL also provides "behind-the-scenes" protections against the most dangerous online predators — phishers and identity thieves. Phishers are scam artists who try to convince users to surrender sensitive personal information by impersonating banks, credit card or other companies. AOL protects against them by monitoring incoming email with multilevel systems that detect and block phishing attacks and prevent members from unintentionally accessing scam sites. AOL blocks roughly 1.5 billion spam messages and protects members from roughly 8 million phishing attacks each day.

AOL Named Most Trusted Web Portal/ISP for Privacy in National Consumer Survey

In 2005, TRUSTe, the leading nonprofit organization promoting privacy in digital communications, and Ponemon Institute, a think tank dedicated to privacy and data protection research, said that AOL had been named the most trusted Web portal or ISP for privacy in an annual survey of U.S. consumers. More than 7,000 people were surveyed. AOL had the largest year-over-year increase in the rankings of any company in the survey.

Dr. Larry Ponemon, Chairman of the Ponemon Institute, said, "AOL's efforts in raising awareness and understanding about good privacy and data protection on the Internet are paying off in terms of positive consumer perception. This is an especially significant accomplishment given the rash of privacy issues such as phishing and spam that impact the ISP industry."

"It is also good news for trust in the Internet overall when AOL can offer a reassuring online experience to its customers," said Fran Maier, Executive Director and President of TRUSTe.

Time Warner Cable

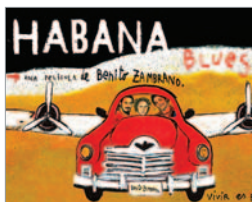
Time Warner Cable provides a detailed description of its privacy policies at <http://help.twcable.com/privacy>. Time Warner Cable upholds the high privacy standards set out in the federal Cable Communications Policy Act of 1984, which covers, among other things, the collection and disclosure of its customers' personally identifiable information.

CONTENT DIVERSITY

Time Warner believes that providing an array of diverse content representing a variety of points of view is both the right thing to do and essential to our success.

Culturally Diverse and Balanced Content

Time Warner provides millions of people with a broad range of products and services that reflect the diverse backgrounds, interests and cultures of our customers. The company's networks provide multi-ethnic and foreign language programming from producers throughout the world. Hispanic and African-American audiences are served by such well-known brands as *People en Español* and *Essence* magazines, CNN en Español, CNN en Español RADIO, AOL Latino and Black Voices, and HBO Latino. Our broad, mainstream brands are also responsible for serving diverse audiences, whether that means casting Warner Bros. TV shows with an eye to diversity or ensuring that *People* covers individuals from all ethnic groups and many walks of life.



Habana Blues, the original language film by Warner Bros. Studios about two young Cuban musicians.



AOL Black Voices, the popular Web site for African-American culture and community.

Diversity in Hollywood

Time Warner's film divisions support film festivals that showcase diverse filmmakers, writers and creative talent. We are annual sponsors of the American Black Film Festival the National Association of Latin Independent Producers, the Black Filmmakers Foundation Summit, the Asian American International Film Festival, the New York and Los Angeles Latin International Film Festivals, Outfest LA Gay & Lesbian Film Festival and the Urbanworld Film Festival. By sponsoring and participating in these events, we build relationships with talented filmmakers from diverse backgrounds and ensure that Time Warner is a partner of choice for up-and-coming talent. In 2006, our Corporate Responsibility office plans to do more in partnership with HBO, New Line Cinema and Warner Bros. to strengthen our support of diversity in Hollywood.

Investing in Diverse Entrepreneurs

As part of its mission, the Time Warner Investments group seeks to back diverse entrepreneurs through a combination of investment capital and strategic partnerships with Time Warner's business units. By investing in companies run by diverse management teams or those that target underserved markets and taking an active investor role, Time Warner strives to help build profitable, self-sustainable businesses while capturing strategic and economic value for Time Warner. An example of this investment activity is Time Warner's investment in *Sí TV*, an English-language Latino-themed cable network.

Around the Globe: Local Language Content

As Time Warner continues to expand internationally, we are committed to respecting local cultures and encouraging the development of local content in local languages.

Warner Bros. International, for example, is involved in the co-production, marketing and/or distribution of local-language movies in approximately 20 countries. These are films made by local filmmakers for their native countries in their native languages. Warner Bros. provides filmmakers with technical advice, production funding, marketing and/or distribution deals in exchange for such benefits as shared ownership, video rights or global or regional distribution rights when feasible.

China

In late 2004, the China Film Group, Hengdian Group and Warner Bros. Pictures partnered to create Warner China Film HG Corporation ("Warner China Film"), the first Sino-foreign joint-venture filmed entertainment company in the history of the People's Republic of China. The formation of Warner China Film brings together China's leading state-run filmed entertainment conglomerate (China Film), China's largest privately-owned film and television enterprise (Hengdian Group) and the world-renowned and globally recognized filmed entertainment leader (Warner Bros. Pictures). Warner China Film will develop, invest in, produce, market and distribute Chinese-language feature films, telefilms and animation.



The hit family comedy, *George Lopez*, produced by Warner Bros. Television Group.



Essence magazine reaches over seven million African-American adult readers each month.



In August 2005, Time Inc. acquired Grupo Editorial Expansión (GEE), the premier publisher of high-end consumer and business magazines in Mexico.

CHILD PROTECTION: GIVING PARENTS THE TOOLS THEY NEED



Time Inc. publishes educational magazines for children and their families.

Time Warner is committed to ensuring that our audiences are informed of their programming options and empowered to make the right choices for themselves and their families. Time Warner companies comply with the voluntary rating systems in the television, film and video game industries. Below are some examples.

Film Rating System

Films from Warner Bros. Pictures, Warner Independent Pictures and New Line Cinema are voluntarily rated by an independent rating agency sponsored by the Motion Picture Association of America and the National Association of Theatre Owners. The ratings are intended to give parents advance information so they can decide for themselves which films are appropriate for viewing by their children. Theme, language, violence, nudity, sex and drug use are among the content areas considered in the rating process. Each film is rated G, PG, PG-13, R or NC-17. Additional information about these ratings can be found at www.mpa.org.

TV Rating System

The TV Parental Guidelines is a voluntary rating system designed to give parents information about the content and age-appropriateness of TV programs. Time Warner companies that distribute or produce programming for television comply with these ratings, including Warner Bros., Time Warner Cable, HBO and all Turner Broadcasting System networks. Ratings are assigned by networks.

The ratings are defined as follows:

- TV-Y All Children
- TV-Y7 Directed to Older Children
- TV-Y7FV Directed to Older Children – Fantasy Violence
- TV-G General Audience
- TV-PG Parental Guidance Suggested
- TV-14 Parents Strongly Cautioned
- TV-MA Mature Audience Only

Video Game Rating System

Video game ratings are overseen by the Entertainment Software Ratings Board (ESRB), created by the Entertainment Software Association (ESA), which represents most video game producers, including Warner Bros. Interactive Entertainment and Turner's GameTap Entertainment. The ESRB independently applies and enforces ratings, advertising guidelines and online privacy principles adopted by the industry. ESRB ratings have two parts: rating symbols that indicate what ages the game is suited for, and content descriptors that list game elements that may be of concern. Game companies, including Time Warner, voluntarily display ratings on the product packaging. Rather than limit content, the focus and philosophy of the ESA is to help parents and other consumers choose appropriate games.

Film Marketing Guidelines

Warner Bros. Pictures and New Line Cinema follow internal guidelines for the responsible marketing of their films and to help parents make informed decisions about the films their children view. Among other things, Warner Bros. Pictures will not market R-rated films in print or on television where 35% of the expected target audience is under the age of 17; it will not enter into promotions or toy-driven product tie-ins targeted to children for R-rated films; it will not attach trailers for R-rated films to G or PG-rated films; and it will carry ratings information in the preface as well as on packaging for all new DVD releases.

AOL and Parental Controls

AOL has been the industry leader in parental controls and online child protection since its founding. Learning how to explore and understand the online world is an essential skill for children in today's wired world, but children need and deserve special protection online. Although no law, no technology, and no corporate initiative can ever take the place of involved, well-informed parents, AOL's parental controls empower parents to protect their children from inappropriate content and help ensure that their online experience is safe and age-appropriate.

AOL provides three tiers of age-appropriate content for children under 18: KOL (12 and under), RED, or Young Teen (13–15), and RED Plus, or Mature Teen (16–17). Parents can further customize their child's experience by using controls for multiple screen names, email, instant messaging, online time, chat and Web access. AOL® Guardian is a feature that enables parents to receive updates on their child's online activities, and the Web Unlock feature allows parents to modify their parental controls remotely from any Internet-enabled computer, rather than just from in the home. In 2005, Kids Online (KOL) received the "Best of Web" award from WiredKids, the world's largest online safety group.

AOL was the first Internet service provider to partner with the National Center for Missing and Exploited Children and launch online "Amber Alerts" to help find missing children by instantly sending an alert to AOL members and Internet users who have opted into the alerts via email, phone or Instant Message. AOL also works closely with law enforcement agencies to identify, track down and prosecute child predators.

Time Warner Cable and Parental Controls

Time Warner Cable is committed to giving parents choice and control over their family TV viewing. From the widest programming choices to the best education on how to make smart decisions about children's use of media, Time Warner Cable provides parents and caregivers with a powerful range of tools to manage the content that comes into their homes. Each Time Warner Cable digital set-top box comes equipped with parental control features that enable adults to easily block entire channels or specific programs based on the time of day, channel and rating. These features can be programmed using the remote control; customer help is available by telephone or online. For the customer without a set-top box, Time Warner Cable will block or trap out entire channels upon request.

Time Warner Cable engages in public awareness outreach through PSAs, newspaper and guide ads, bill stuffers and on-hold messages to inform parents of these tools and how they can be used. As part of an industry wide effort, Time Warner Cable alone contributed more than \$7 million worth of air time to running the PSAs in 2005. Parental controls are also provided for subscribers to Road Runner, Time Warner Cable's high-speed data service.

In 2005, Time Warner Cable announced the introduction of a Family Choice Tier. This package, which will be rolled out in 2006, contains 12–15 television channels for families, giving parents another method to decide what programming comes into their homes.

Aspirations for the Future

In today's world, TV shows are being delivered via the mobile phone, and garage bands can distribute their music to a wide audience online. The continued proliferation of user-created content and converging media presents Time Warner with the challenge of maintaining our focus on empowering parents and protecting children. Our goal is to continue to give parents the tools to make the right choices for their children in an ever changing world.



AOL's KOL provides appropriate content for children ages 12 and under.



AOL® Parental Controls gives parents the tools they need to control the content their children view online.

3.

Ethics, Governance and Public Policy

ETHICS

An unwavering commitment to ethics is a core value of Time Warner. We strive to deal honestly, fairly and respectfully with each other and with our suppliers, customers, competitors, governmental agencies and communities.

Standards of Business Conduct

In April 2004, the company's Board of Directors revised and strengthened our Standards of Business Conduct, which applies to corporate employees of Time Warner Inc. These Standards of Business Conduct make clear the importance to our company of abiding by the law, telling the truth, keeping our promises, putting the needs of shareholders and customers first, and steering well clear of excesses and ethical lapses. We encourage questions and concerns about conduct that may run counter to the Standards, and we will not retaliate against those who raise or assert them in good faith. We have established a hotline that employees may call anonymously to report any concerns as permitted or required by law. The Corporate Standards of Business Conduct is available on the company's Web site at www.timewarner.com/governance.

The Standards also serve as a model for similar codes of conduct that have been adopted at each of the company's business units.

Sarbanes-Oxley Act

We have comprehensive internal controls and compliance procedures to foster an environment of ethical behavior. For example, we have extensive disclosure controls and procedures designed to ensure that the company's financial statements and disclosures are materially accurate and complete. We devote substantial resources to our system of internal controls over financial reporting and compliance programs. As part of this effort, specialized training is provided to financial executives and lawyers to ensure they are equipped to implement these standards effectively.

Ongoing Efforts to Strengthen Our Ethics and Compliance Program

A strong compliance environment needs more than codes of conduct. It requires education and training — and the company has programs, which have been strongly endorsed by our Chairman and CEO, designed to provide ethics and compliance training to all Time Warner employees. By the end of 2006, we expect to have trained all regular employees based in the U.S. on the Standards of Business Conduct. Enforcement is also key to effective ethics programming. A Corporate Compliance Review Committee (CCRC) meets regularly to review individual compliance matters from the entire company.

The Audit and Finance committee of the Board is responsible for reviewing and recommending changes to the Standards of Business Conduct and for overseeing the company's compliance program. The Audit and Finance committee appoints the company's Chief Ethics and Compliance Officer, who provides regular reports and recommendations regarding the company's ethics and compliance programs. For example, we recently provided more detailed rules and training to those involved in conducting international business to support compliance with the Foreign Corrupt Practices Act (FCPA).

GOVERNANCE

Time Warner is committed to strong corporate governance practices that allocate rights and responsibilities among the company's owners, directors, and managers in ways that enhance shareholder value. We go beyond regulatory requirements to promote the effective oversight and management of the company.

Board Composition

Our Board of Directors is composed of exceptionally qualified individuals with distinguished careers in business, finance, academia and public service.

The Board has established criteria to govern its composition. Among other things, the Board's Corporate Governance Policy provides that a "substantial majority" of its Directors should be independent, and the Board has established a definition for independence that exceeds regulatory requirements. The percentage of independent directors increased from 56% in 2001 to 79% in 2005.

As the Board considers new director candidates, it looks for a number of important qualities, including a demonstrated reputation for integrity, independent judgment and professional accomplishment. The Board also seeks to ensure that it draws individuals from a range of backgrounds, including gender, ethnic and geographic diversity. Since 2004, we added three new Board members, including two women, one of color.

Board Responsibilities

The Board's primary responsibility is to oversee the management and operations of the company to seek to maximize long-term value for our shareholders. The Board appoints the senior management of the company and, at least annually, reviews the company's strategy, business plan, budget, the performance of the Chairman and CEO, and the performance of the Board and its committees.

Committee Structure

An important element of the company's corporate governance is having effective Board committees that actively oversee specific areas of responsibility. The Board has three standing committees, each composed of independent Directors: Audit and Finance; Compensation and Human Development; and Nominating and Governance. Among other responsibilities, the Audit and Finance committee assists in the oversight of the quality and integrity of the company's financial statements and accounting practices. The Compensation and Human Development committee approves compensation for senior executives, as well as oversees compensation and benefits matters for the entire company. The Nominating and Governance committee oversees CEO succession and performance, governance practices, Director nominations and Corporate Responsibility. The responsibilities of these committees are set forth in the company's By-laws, corporate governance policy and committee charters, all of which are posted on the company's Web site at www.timewarner.com/governance.

The Board of Directors recognizes that, if a candidate for the Board fails to receive a majority affirmative vote in an uncontested election, this is a sign that there

are serious concerns among stockholders requiring prompt attention by the Board. Accordingly, in 2006, the Board of Directors amended the By-laws to set forth a clear process to be followed in the event a Director receives more “withhold” votes than “for” votes in an uncontested election. Under the By-laws, the Director must submit an offer to resign from the Board; the Board may either accept the resignation offer or seek to address the reasons why the Director failed to receive a majority vote for his or her election. This approach provides for prompt, decisive action by the Board, while preserving the Board’s ability to address the specific concern(s) that gave rise to the majority-withhold vote.

Socially Responsible Investment Funds

Our good governance and corporate responsibility practices are why TWX shares are traded in more than 30 socially responsible investment funds, including portfolios managed by Calvert, Credit Suisse, TIAA-CREF and Smith Barney.

Communicating with the Board of Directors

The company’s independent Directors have established a process that stockholders may use to communicate with the members of the Board. All stockholders wishing to communicate with the Board should address letters to:

Office of the Corporate Secretary
Time Warner Inc.
One Time Warner Center
New York, NY 10019

PUBLIC POLICY

Time Warner, as a business leader and employer of 87,000 people worldwide, works with policymakers in the United States and around the world on issues that impact our businesses, employees and customers. Time Warner’s key public policy priorities include the protection of intellectual property; the advocacy of a fair and competitive communications environment; the promotion of effective tools for online safety, data security and consumer privacy; the defense of journalistic freedom and integrity; and the development of a fair global trade and tax system. In our policy advocacy, we take seriously our obligation to uphold Time Warner’s high standards of business conduct and to operate in an ethical and responsible manner.

In the United States, Time Warner’s public policy office is located in Washington, D.C. Our work with U.S. policymakers is issue-focused rather than partisan-based. We strive to support market-driven solutions that advance policy positions critical to Time Warner’s businesses.

In addition to our main office in Washington, D.C., Time Warner has policy offices in London, Brussels and Hong Kong to allow us to interact better with government officials in places where we have significant business operations or sell our products and services.

Time Warner Policy Objectives

Our movie and television studios make and distribute content around the globe. Piracy — the theft of copyrighted movies and TV shows — is a major problem for our industry. Time Warner works with governments around the world to take action against those who illegally copy and sell films and TV shows, whether from street-corner stands or via the Internet. In the marketplace, we are also working with the electronics industry to find new, secure ways to get our rich array of content to consumers on a variety of devices.

In the area of communications policy and regulation, technological advances, new investment, and rapid innovation are fundamentally changing the communications and media marketplaces, and this infusion of new services and unprecedented competition is benefiting consumers. In this competitive marketplace, we believe economic regulation should only be used when needed, and it should apply to all service providers on a technology and competitively neutral basis.

Children's online safety is a top priority for Time Warner, and we have led the Internet industry with our multipronged approach. AOL created and embedded in the AOL service an award-winning tool, called Parental Controls, that allows parents to manage their children's online activities, and Time Warner Cable's high-speed data services provide similar protections. The company also works appropriately with law enforcement to combat cyber-crime.

Time Warner takes seriously its obligation to secure customer data and privacy and has promoted innovative market solutions toward that end. Consistent with this, AOL has also acted aggressively to protect its members from the scourge of spamming and phishing on a number of fronts — from lawsuits to advanced technology to certified mail programs. Every day, for example, AOL blocks an average 1.5 billion spam emails from reaching member inboxes, thereby catching many phishing emails — those designed to trick users into mistakenly divulging their personal information.

Time Warner takes great pride in the independence and integrity of our print and TV journalists. We are staunch defenders of journalistic freedom.

Finally, we are active proponents of free and fair trade. We have led business coalitions for free trade and support the negotiation of market opening agreements at the bilateral, regional and global level. We also support the development of simple, fair and nondiscriminatory taxation of our businesses.

Membership in Associations

Time Warner is a member of several trade associations, including the National Cable and Telecommunications Association (NCTA), the Motion Picture Association of America (MPAA), and the Magazine Publishers Association.

As a separate legal entity, Time Warner's Political Action Committee (Time Warner PAC) supports on a bipartisan basis federal candidates whose views reflect the corporate values and business goals of the company. In 2005, Time Warner PAC contributed approximately \$300,000 to federal candidates. Time Warner PAC raises voluntary contributions from eligible Time Warner employees, but it does not solicit support from the company's journalists. Our standards for PAC giving are posted on our Web site, www.timewarner.com/citizenship. The Federal Election Commission regulates Time Warner PAC's activities, and records of the company's contributions are available at www.fec.gov. Links to these FEC reports are also available on our company's Web site, www.timewarner.com/citizenship. As a matter of company policy, Time Warner does not make campaign contributions outside the United States.

4.

Employees and Workplace

VALUING OUR EMPLOYEES



Time Warner employees' diverse experience and expertise is central to the success of our business.

At Time Warner, more than 87,000 men and women in 60 countries bring expertise and dedication to work each day. In this section we outline the ways we value our employees and their contributions, promote open dialogue in the company and strive to make diversity one of our strengths.

Time Warner is committed to becoming an employer of choice in order to attract, develop, retain and engage the best people. During the past two years, we have expanded a program called Employees First and developed ways to support our Employees First philosophy throughout corporate headquarters and our divisions. Employees First is a commitment on the part of Time Warner to help employees succeed at work and in general. It is a pledge to:

- provide a workplace where employees feel valued, inspired and confident;
- help employees achieve their professional goals; and
- recognize and respect that employees have a life beyond work.

Each Time Warner business has adapted the Employees First philosophy to fit its culture.

As we move forward, in 2006 we plan to strengthen our employees and workplace initiatives. Specifically, we plan to develop and retain the best people, expand internal mobility and refine and communicate programs to establish consistent expectations and accountability of our executives regarding leadership, collaboration, innovation and diversity.

EMPLOYEE GROWTH AND DEVELOPMENT

Leadership and Professional Development Opportunities

Time Warner is committed to offering tools and resources to help employees succeed at work and in life. Human Resources teams offer a number of leadership and professional development programs at both the enterprise and division level. In addition, workshops designed around general needs, including diversity awareness, managerial skills, communication, teambuilding, career development and presentation skills are offered throughout the year. Time Warner's larger businesses have online sites that employees can use to sign up for training classes and workshops.

Key leadership programs include:

Chairman's Leadership Program

In 2005, more than 100 executives participated in Time Warner's Chairman's Leadership Program. This program provides senior leaders from around the company with an opportunity to build leadership skills, gain personal insight into strengths and weaknesses, network and learn from peers, and discuss business with CEO Richard D. Parsons, COO Jeff Bewkes and divisional CEOs.

Breakthrough Leadership Program

Breakthrough Leadership is a leadership development program that brings together talented female executives from all Time Warner divisions. In 2005, 74 women participated in the program, which is designed to enhance leadership skills, share strategies for business success, and enable employees to learn from other Time Warner leaders.

Leading for Results

In 2005, 600 employees attended Leading for Results. This customized leadership program, run in most of the divisions, helps participants build leadership skills, learn from peers, and engage in dialogue with senior leaders on key business issues.

Leadership Development for Time Warner's Executives of Color

In this program, we partner with external professional organizations, such as the National Association of Multi-ethnicity in Communication and the Executive Leadership Council, to provide leadership tools, development strategies and networking opportunities for high-potential, successful executives.

Focus on Careers

Focus on Careers is part of Time Warner's Employees First initiative. It is designed to make employees aware of career opportunities across Time Warner. Employees receive first consideration when open positions are filled. It works through an employee-only Web site that allows Time Warner people to search for jobs across divisions and around the world. Each week, internal newsletters also spotlight open positions. Focus on Careers works: In 2005, more than 4,300 employees were hired in new positions across Time Warner, and 29% of all open positions were filled by internal candidates. This compares with 21% of positions that were filled from the inside in 2004.

Work/Life Investment

We understand that careers are only one dimension of life. Our people lead interesting, multidimensional lives as global citizens, community members, homeowners, students, caregivers, athletes, friends, activists, hobbyists, family members and so much more. The diverse roles and responsibilities that add definition to life can also add complexity, tension and stress — particularly when coupled with the demands of work. The conflicts that occur when work and life demands collide can inhibit the capabilities of our people. Therefore, we strive to provide a workplace that can adapt to peoples' lifestyles and life stages. A cross-divisional Work/Life Council helps the company to accomplish that.

Recently, we broadened the lens of who was eligible for care and support from the traditional family, interpreted to mean immediate members of one's own household (spouse, partner and children), to that of a reliant individual, defined as someone who depends on the employee for his or her well-being. This broad definition has enabled us to be more inclusive of the diverse life situations of our employees.

Some examples of our work/life support system include:

Health and Wellness Programs

Time Warner invests in services and education to keep our employees healthy. All Time Warner businesses offer access to fitness, employee assistance and mental health programs. Our offerings include programs for pregnant women, onsite fitness centers and onsite health services. We provide information to our employees about health and wellness through seminars and awareness campaigns.

Inclusive Family Supports

Time Warner supports the needs of our people who choose to expand their families through adoption. All businesses also offer domestic partner benefits and long-term care insurance.

Child Care

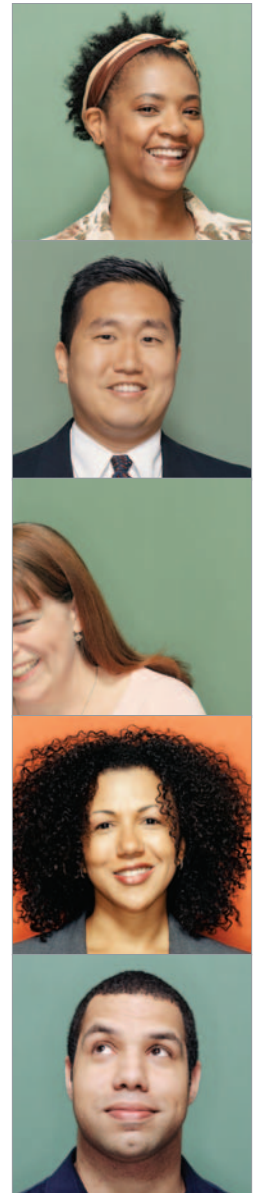
Some Time Warner companies provide onsite day care, and most Time Warner businesses provide support for our employees when their regular child-care is unavailable.

Flexible Work Arrangements

In 2005, our corporate headquarters launched a Flexible Work Arrangements program to give employees greater control over how, when and where their work is done. Our people, in partnership with their managers and Human Resources, plan flexible work arrangements tailored to meet the business needs of the job and the employee. The process allows for a business-based, situation-specific outcome. We have developed surveys and metrics to monitor the success of these efforts.

Employee Benefits

At Time Warner, we offer a comprehensive benefits package to our employees. Our health, welfare and financial benefits are designed to meet the diverse needs and preferences of our employees. We offer healthcare choices to our employees and their families, including domestic partners, which provide access to a broad array of providers while giving employees tools to make informed decisions about their care. Our disability, life and long-term care benefits help to protect our employees from the financial consequences of illness, accident or death. Financial plans are offered to help our employees with their income replacement needs when they retire. We continually review our benefit plans to ensure they are competitive, affordable and appreciated by our employees.



RECRUITING AND INVESTING IN TOP TALENT

Diversity

At Time Warner, we believe that in an increasingly multicultural world, we must expand our efforts to reach and understand the diverse people and cultures we serve. A key to our success is hiring and retaining a staff that is as diverse as our audiences. What's more, when we think about diversity, we must go beyond race, ethnicity and gender to include all the things that make us unique, including life experiences, geographic backgrounds, sexual orientation, skills and talents.

At Time Warner, we strive to increase the representation of women and people of color through hiring, promotions and retention efforts in areas where they are underrepresented. We seek to create an inclusive work environment where people of all backgrounds have the opportunity to contribute their best work and to advance their careers. By doing so, we will create not only an environment where people and their ideas can thrive, but also one that serves to drive our business forward.

Our outreach and recruiting efforts focus on four key areas: affiliation with women's and diversity industry organizations; our strategic sourcing efforts, discussed below; an emphasis on accountability for diverse slates in hiring; and our STARS — Students Taking A Right Step — internship program, which employed 1,000 interns in 2005.

In 2005, we conducted diversity training sessions on unconscious biases, implicit assumptions and the importance of proactive inclusion. The first round of training sessions was provided to senior leaders throughout the company, including division CEOs and corporate executive vice presidents, and later was rolled out deeper in the organization.

During 2005, representation and hiring of women at the executive level remained essentially flat, although there was some growth in the manager/director level, which has increased from 45% in 2003 to 50% in 2005.

2005 Work/Life Awards

Time Warner companies received numerous Work/Life recognitions in 2005, including the following:

Time Warner Cable

- Women in Cable and Telecommunications, Best Operators for Women

HBO

- Women in Cable and Telecommunications, Best Programmers for Women in Cable
- Women in Cable and Telecommunications, Best Resources in Work/Life Support

Time Inc.

- Dave Thomas Foundation for Adoption, Adoption-Friendly Workplace

Turner Broadcasting System

- Diversity Inc., Rated #2 in Top 50 Companies
- Working Mother, Top 100 Best Companies
- Women in Technology, Best Employer in Georgia

U.S. Representation — Women

	Total % of Women Companywide	Total % of Managerial Positions* Held by Women
2003	44%	42%
2004	43%	42%
2005	43%	41%

* Managerial positions include top management, vice presidents, directors, managers and professionals.

In order to ensure that Time Warner’s diversity initiative is a central and integrated priority for senior management on an enterprisewide and divisional level, diversity is incorporated into every senior executive’s goals and tied to annual bonus compensation. As such, corporate senior executives and division CEOs will set strategic direction and establish accountability for diversity across the company. In addition, a cross-divisional Diversity Working group has been created to address various issues related to workforce diversity across the company. As a part of these efforts, each division develops its own Diversity Action Plan focusing primarily on metrics in three key workforce areas: recruiting and hiring, retention and advancement and work environment. Although programs may differ from business to business, certain measures are consistent. For instance, each business sets goals related to hiring slates, ensuring that candidate pools are diverse at the executive level.

Executive Talent Fund and Strategic Sourcing

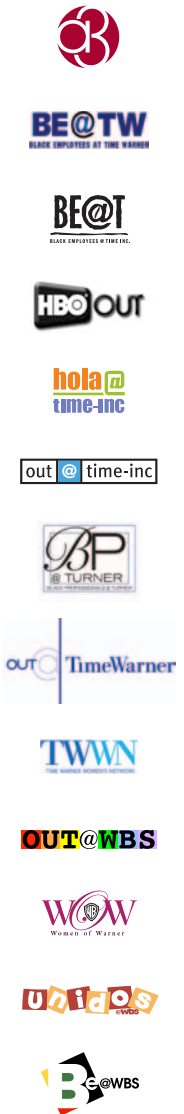
Time Warner supports its divisions’ ability to hire top-tier diverse talent in two ways. The first is the Executive Talent Fund, a funding source that helps our divisions bring diverse talent into the company. In 2005, 13 diverse executives were hired across our divisions through the Talent Fund. The second Corporate resource for the divisions is the Strategic Sourcing group, which focuses on sourcing diverse talent in the marketplace and ensures that Time Warner is tapping into the broadest talent pool available. Strategic Sourcing ensures a diverse pool of candidates for every open position above the vice president (VP) level. Through Strategic Sourcing, we placed 20 diverse VP-level and above executives across the company in 2005.

We have made considerable progress in increasing the hiring percentages and overall representation of people of color, with the highest hiring increase occurring in director and manager positions, which increased from 20% in 2003 to 28% in 2005.

Affinity Groups

By 2005, six of the company’s seven divisions and Corporate had employee networks, called affinity groups, which provide critical networking and professional development tools for underrepresented populations. These networks have been successful in fostering employee engagement and professional development by delivering informational seminars and forums and providing a forum for employee feedback to be conveyed to divisional leadership. Affinity groups are supported by Time Warner’s businesses. The groups include, but are not limited to, the following: Amigos@AOL, AOL-ders, AOL Parents, AOL People Living and Working with Disability (APLAWD), Black Employees at AOL (BE@AOL), Military Support Group, OUT@HBO, Black Employees at Time Inc. (BE@T), HOLA@Time Inc., TurnOut, Black Professionals@Turner, Turner Women Today, BECWBS, OUT@Time Inc., Unidos@WBS and Time Warner Women’s Network.

Time Warner
Employee
Affinity Groups



U.S. Representation — People of Color

	Total % of People of Color Companywide	Total % of Managerial Positions* Held by People of Color
2003	33%	24%
2004	34%	24%
2005	35%	25%

* Managerial positions include top management, vice presidents, directors, managers and professionals.

LISTENING TO OUR EMPLOYEES

We listen to our employees' opinions in an organized and consistent way. Employee opinion surveys help identify areas for improvement. Between September 2004 and November 2005, we administered a company-wide employee survey to ask employees about topics related to leadership, innovation, collaboration, and diversity. The overall response rate was 66%, with divisions ranging from 57% to 80%.

Highest-Rated Core Items for All Divisions Combined:

- I work in an environment that is free of disrespectful and offensive behavior (e.g., based on personality traits, gender, sexual orientation, ethnic affiliation, religion, etc.).
- My manager acts with integrity, setting high standards of behavior that others can follow.
- I am comfortable speaking to my manager about difficult issues.
- Overall, my immediate manager is effective.
- Time Warner values diversity of thought and people.

Despite these very encouraging responses, we know from the survey that we have room for improvement. In 2006, we will work to improve collaboration between departments, provide ongoing performance feedback to employees and continue to improve opportunities for professional growth and development.

Labor Relations

Time Warner respects employees' rights under federal labor law, and several of our divisions have collective bargaining relationships.

Freelancers and Independent Contractors

Many of our company's journalists are independent contractors, also known as freelance journalists. We respect the rights of independent contractors and have created clear guidelines that address the contractors' IRS responsibilities, payment plans, expense handling and their right to work for other corporations.

HEALTH AND SAFETY POLICIES

Time Warner is committed to complying with environmental, workplace health and safety laws and regulations. We understand that this commitment requires the vigilance of each and every company employee, and most divisions include an outline of the health and safety policies in their Standards of Business Conduct. Below are highlights.

Time Inc. and Turner Broadcasting

Protecting Our Journalists

Our journalists frequently travel to war zones to gather information and report stories. We as a company go above and beyond any requirements to protect those traveling to these areas. Specialized training is offered to broadcast and print journalists who are deployed to conflict zones. For example, CNN employees working in dangerous and war-zone areas volunteer to do so and are allowed to leave at any time at their request. CNN has a sophisticated program in place to ensure that staff and their families are supported during and after difficult assignments.

Business Traveler Location Program

This program gives real-time feedback to locate and contact business travelers in the event of an emergency. Currently implemented at Turner Broadcasting and Time Warner Corporate, the program provides safety and security advisories to employees during the travel reservation process.

The program is activated when travel is booked through designated company travel services. The employee is provided a safety overview for the travel destination; lodging accommodations are noted and telephone contact information is solicited — to be used in case of an emergency. Should the safety situation change during the travel period, the employee is alerted via phone or email. The program also updates flight information or travel delays that might impact the business traveler.

The Safety Pass Program

The Warner Bros. Studio Facilities Department of Safety and Environmental Affairs has led the motion picture and television industry with innovative ideas for more than a decade.

One such innovation, the Safety Pass program, has changed the safety practices of an entire industry. The program was developed by Warner Bros. through a collaborative effort with dozens of unions, which represent the fluid workforce of the motion picture and television industry, moving from one studio to the next. Since the founding of Hollywood and the advent of its first motion picture studio, each studio differed in the extent and enforcement of its safety rules: there was a clear need for a standardized industry wide training program.

Representatives from the unions and the studios created a training regimen, instituted a fully staffed training facility, and embarked upon training thousands of industry employees in job-specific safety training. Today, over 30,000 employees have collectively taken over 190,000 safety classes totaling over 500,000 training hours, representing a majority of current Los Angeles-based employees.

The success of the Safety Pass program has now taken it beyond the borders of the United States, and it has been adopted in British Columbia, Canada.

Warner Bros. Entertainment

Warner Bros. Facility Safety: the Department Safety Officer

Established more than ten years ago, this program recruits an employee from each department and designates him or her as a Department Safety Officer (DSO). The DSOs are experienced members of their departments who help the Safety and Environmental Affairs department ensure a consistent safety and environmental policy through out the entire facility. Their duties include the recognition and abatement of potential health hazards in their departments during routine inspections and checking the Safety Pass of incoming department employees to be sure they have completed all of the job-specific training required for their craft.

Time Warner Cable

Vehicle Safety at Time Warner Cable

A major emphasis in Time Warner Cable's Safety program is driver education and safety and a variety of approaches are used to improve safety and reduce the frequency and severity of accidents. Each Time Warner Cable driver participates in an Alert Driving training program that includes over 36 defensive-driver training modules. A "Behind the Wheel Coaching" class, which provides drivers with a new perspective on their own good and bad driving habits, has been conducted in almost all TWC divisions. In addition, motor-vehicle records are used as an important driver selection and monitoring tool and are ordered for both new hires and current employees whose job requires regular use of a company vehicle.



A Time Warner Cable employee arrives safely to install digital services at a customer's home.

5.

Environment

ENVIRONMENT: INTRODUCTION

While Time Warner is not an industrial or manufacturing company, we nonetheless need to be cognizant of our environmental footprint and conduct our business in an environmentally sustainable manner. We aim to reduce our environmental footprint in ways that make economic sense.

Time Warner Environmental Statement

Time Warner is committed to conducting our businesses in an environmentally responsible and proactive manner, consistent with our commitment to corporate citizenship, social responsibility and sustainability. Our experience has demonstrated that sustainable business practices can be cost-effective, build employee and customer loyalty and even drive new business for the company.

We aim to conserve natural resources and minimize waste through source reduction and recycling; handle and dispose of wastes through safe, environmentally responsible methods; encourage energy efficiency and the use of renewable energy sources; and encourage our business partners and suppliers to strive for the same high levels of environmental performance.

We recently launched a cross-divisional Environmental Working Group to find ways to meet these objectives. Some activities are already underway and described below.

While environmental stewardship activities occur at all Time Warner divisions, we have highlighted activities in a few areas that have the greatest environmental impact.

PAPER AND PRINTING

Time Inc.

The world's forests are Time Inc.'s most vital natural resource. If these forests are not protected, not only will ecological treasures be damaged or lost, future paper supplies will be jeopardized and the price of paper could rise sharply. That's why Time Inc. tries to make sure that as much of its paper as possible comes from forests that are harvested sustainably. In sustainable forests, trees are able to grow back (or be replanted) at the same pace at which they are cut down. Moreover, loggers harvest trees carefully so that

wildlife is not endangered and denuded lands do not create erosion problems that damage the ecosystem.

To protect forests, Time Inc. asks its paper suppliers to participate in a program called Certified Sustainable Forestry, which means working to make sure that the wood they use comes from "certified" sources. Time Inc. accepts several certification schemes that have been evaluated to ensure that they meet Time Inc.'s requirements. Time Inc. has also been active in developing programs to help small landowners achieve certification. Time Inc. has recognized and encouraged all major certification bodies and has set a goal that by the end of 2006, 80% of the paper it uses will be from certified wood, up from 25% in 2002 and 58% at the end of 2004. The Certified Sustainable Forestry initiative has not had an adverse impact on costs for the company. This is dramatic progress, and environmental groups such as the Rainforest Alliance and ForestLeadership.com have singled out Time Inc. for its leadership in this arena. Time Inc. has also joined with other major paper buyers, including Staples, Hewlett Packard and Bank of America, to form the Paper Working Group, a coalition aimed at encouraging an increase in the supply of what the group calls "environmentally preferable paper."

In 2005, Time Inc. reduced the weight of the paper that four weekly magazines — *Time*, *People*, *Sports Illustrated* and *Entertainment Weekly* — are printed on by 8%. The reduction made no noticeable difference in the quality or feel of the paper. This was the most recent step in a long process. For 17 years, Time Inc. has been working with suppliers and printers to develop lighter grades of paper that hold up well on the presses and preserve the satisfying texture of the magazines. The results have been remarkable. The paper on which *Time* magazine is printed, for example, is nearly 18% lighter than the paper used in 1989.

Such improvements deliver both environmental and economic benefits. Lighter paper requires less wood to make. Less raw material means lower production, transportation and postage costs, as well as lower energy use during production and distribution, saving the company millions of dollars a year.

Time Inc. encourages its paper suppliers to use advanced pulping and bleaching techniques. It will not buy paper made from pulps bleached with chlorine gas. More information on Time Inc.'s policies is available in its 2005 Sustainability Report, available at www.timewarner.com/citizenship.



Time Inc.'s *Fortune* magazine reports on the looming oil crisis.



Time reports on the threat of global warming.



Time Inc.'s *Popular Science* regularly reports on global environmental issues.

RECYCLING

Warner Bros. Entertainment

During the last 13 years, Warner Bros. Studios has increased its overall recycling rate from 7% in 1992 to 65% in 2005. That means that more than half of the waste stream, about 11 million pounds annually, is recycled and reprocessed into new products, also saving \$300,000 in disposal costs.

Buy Recycled Campaign

Warner Bros. Studios implemented an environmental purchasing policy in 1993 which provides guidelines for purchasing products that reduce environmental impacts and increase markets for recycled products. For example, all copy paper purchased must have at least 30% post-consumer content, and letterhead is printed on 100% post-consumer recycled, non-chlorine bleached paper. More than 22% of Warner Bros. Studios' purchases in 2005 had recycled content, including orders for toner cartridges which are automatically filled with remanufactured cartridges, saving \$170,000 annually. The Studio's truck fleet uses re-refined oil, as well as plastic lumber stake sides and parking stops.

Community Reuse

Through the Second Time Around: A Community Reuse Partnership program, Warner Bros. Studios donates computers, office supplies, furniture, paint, wood, stage props and other items to schools as well as community and nonprofit organizations throughout Southern California. This reduces waste disposal costs and benefits the community. In 2005, more than 225,000 pounds of materials were donated, benefiting 108 community organizations and saving more than \$11,000 in disposal costs.

Waste Reduction

Warner Bros. believes in preventing waste before it is generated, through double-sided copies, electronic communication and reports, re-use of television stage sets and their various components, and use of steel scaffolding for platforms instead of wood. On the studio grounds, grass cuttings are diverted from the landfill by allowing them to compost right on the lawn — a process called "grass-cycling," which also makes for healthier lawns. Many Warner Bros. Studios departments and production companies make use of the company's office-supply re-use program, which enables them to pick up previously owned equipment and purchase fewer new supplies.

AOL

AOL recycles white paper, plastic, glass, aluminum cans, cardboard and toner cartridges. Because the market for recycled materials demands bulk, this recycling occurs primarily on the three largest AOL campuses. Batteries and CDs are recycled at locations where conditions allow.

AOL 2005 recycling numbers across AOL's U.S. offices where statistics are collected:

White Paper – 295 tons
Mixed Plastic, Glass, Aluminum Cans – 50 tons
Cardboard – 140 tons
Wooden Pallets – 2,106

Recycling AOL Disks

AOL recycles the AOL program CDs that are either unused or returned from vendors and consumers. This recycling program diverts CDs from landfills to beneficial reuse. To recycle CDs, mail the AOL CD to:

AOL CD Returns
22020 Broderick Drive
Dulles, VA 20166

Time Warner Cable

Time Warner Cable uses two EPA-compliant sources for the disposal and/or recycling of obsolete or unusable cable converter boxes and modems. To date, Time Warner Cable has used these sources to recycle or dispose of material derived from over one million converter boxes totalling in excess of six million pounds of materials.

Time Inc.

Magazine Recycling

Time Inc. has joined with International Paper and the nonprofit National Recycling Coalition in a series of pilot projects to promote magazine recycling. This trash-to-treasure program is called ReMix, which stands for "Recycling magazines is excellent."

ReMix has made a measurable difference. Since the 2004 startup, the amount of magazine recycling has increased 11% in Prince George's County, Maryland, and 23% in Boston, the initial pilot communities. A third pilot project was added in 2005 in Milwaukee and eastern Wisconsin. ReMix plans to add new cities in 2006 as it refines its promotional techniques. The ultimate goal is to develop self-sustaining national programs.

Time Warner Corporate

Computer Recycling

Retired computers are recycled in one of two ways. If the computer is deemed unusable, an environmentally friendly destruction company disposes of it according to EPA regulations. If the computer is in decent working condition, the data is eradicated using Department of Defense standards. Software licenses are recouped after data eradication and are applied to other working computers. Once data is removed, the computers are resold. All profits from resale are used to offset the cost of the recycling process. In addition to the computer hardware, laser-printer and fax cartridges are recycled with the help of the New York Chapter of the Association for the Help of Retarded Citizens (AHRC), a nonprofit organization that provides important job training and employment opportunities to men and women overcoming disabilities.

MEDIA COVERAGE

Time Inc. has a dual role when it comes to the environment. The company practices sustainability and also features it in its magazines. *Time* magazine has run many cover stories, a 48-page special report and two entire issues devoted to environmental issues.

Fortune has explored efforts by corporations to make themselves greener — and boost profits at the same time. *Sports Illustrated* went to Alaska for an in-depth look at the debate over oil drilling in the Arctic National Wildlife Refuge. *Field & Stream* did a major story on mercury contamination. *Popular Science* has thoroughly covered global warming and energy issues. *Ski* magazine has acquainted readers with the environmental questions surrounding ski resorts.

In 2005, HBO's comedy festival "Earth to America" celebrated the earth and the funniest people on it. Comedians looked at the lighter side of the environmental issue of global warming.

Warner Bros. Pictures' and Participant Productions' *Syriana*, a political thriller about the global oil industry, was the first major studio film to become "climate neutral" by investing in renewable energy. The film's producers offset 100% of the carbon dioxide emissions associated with the energy and fuel consumed by the production — an estimated 2,040 tons of CO₂ — with renewable energy credits. Energy sources such as

wind and methane provide clean renewable electricity and reduce pollution by displacing energy that would otherwise have come from fossil fuels like coal and oil. With these investments, Warner Bros. Pictures and Participant Productions are promoting long-term renewable energy alternatives.

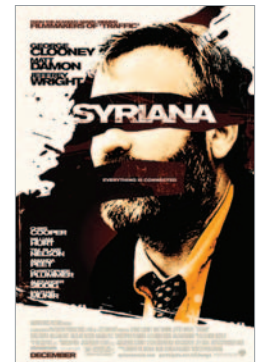
GREEN BUILDING DESIGN

Time Warner Center Green Elements

During the construction of the 56-story Time Warner Center in New York City, the company sought to embrace environmentally sound practices designed to conserve energy and materials. Time Warner occupies approximately one-third of the complex, which houses CNN broadcast space, corporate offices and a conference center.

The Time Warner space is one of the most energy-efficient offices in New York City. It is designed to require 35% less energy than the usage allowed by the New York State energy code. Our green building initiatives are projected to reduce building operating costs by as much as 25%.

The vast majority of workstation materials (fabrics, metals, laminates and wood veneers) comply or exceed industry standards for emissions and off gassing, and related packing and protective materials used in the shipping of these products are made from recycled sources and are fully recyclable themselves. Over 75% of carpets and floor coverings are made from 100% recyclable materials with recyclable non-PVC backing systems while also surpassing the chemical emissions limits set by the Carpet and Rug Institute's Green Label Indoor Air Quality Test Program. Paint, wall coverings and coatings meet or exceed the current VOC chemical component limits of National Green Seal requirements.



Warner Bros. Pictures' and Participant Productions' *Syriana* was the first major studio film to become "climate neutral" by investing in renewable energy.



The environmentally-friendly blue fins on the IPC Media headquarters in London are designed to control the office's internal climate by harnessing or blocking sunlight.

IPC Building

Every new building provides a fresh opportunity for eco-friendly design. And nowhere is that more apparent than in London's Bankside neighborhood, where an innovative building will become the new headquarters of Time Inc.'s IPC Media in 2007. Designed by the architectural firm Allies and Morrison, its unofficial name is the Blue Fin Building, inspired by an unusual feature that rivals the striking façade of the building's famous neighbor, the Tate Modern museum.

The exterior of IPC's new home is clad with 2,000 four-meter-long vertical blue fins made of aluminum with a polyester powder coating that has flakes of mica in it. The fins not only give the structure a beautiful shimmering appearance, they help control the internal climate as well. In winter, when the sun is low on the horizon, plenty of sunlight can enter the building. But in summer, when the sun is high in the sky, the fins block more of the sunlight, reducing the amount of heat gained from the sun. The fins are set at a series of different angles so that roughly the same amount of sunlight is reflected away during all parts of the day. This design will help IPC hold down its air-conditioning costs, energy use and greenhouse-gas emissions.

Warner Bros. Studios

Warner Bros. Studios has completed a green office building remodel that was awarded the U.S. Green Building Council's LEED® (Leadership in Energy and Environmental Design, www.usgbc.org) Silver Certification for Commercial Interiors, joining fewer than 100 certified green buildings in the country. Sustainable elements of the building include the use of recycled, nontoxic and regional construction materials, energy-efficiency measures, the recycling of demolition materials, the use of renewable energy, and healthy indoor air quality. Home to the Warner Bros. International Television Distribution division, it is the first green building in the U.S. entertainment industry, and the first green building in the city of Burbank.

In addition to its green building, Warner Bros. Studios led a Time Warner initiative to upgrade company facilities across the country to increase energy efficiency and decrease greenhouse gas emissions associated with the production of electricity. At Warner Bros. alone, retrofits have resulted in annual savings of more than 8.9 million kilowatt-hours of electricity, greenhouse-gas reductions equal to taking 1,887 cars off the road or planting 1.6 million trees. They save Warner Bros. \$1 million each year.

CLIMATE CHANGE

Time Warner is responding to what many scientists consider to be the greatest environmental challenge of our time. The threat of global warming is one of the major reasons the company emphasizes energy efficiency and the use of renewable energy sources. Time Inc. has helped sponsor a landmark study of the carbon footprint of a magazine supply chain for *Time* and *In Style* magazines entitled "Following the Paper Trail — the impact of magazine and dimensional lumber production on greenhouse gas emissions: A Case Study." It will be published in book form by the H. John Heinz III Center for Science, Economics and the Environment. Armed with the results of this study, Time Inc. and other publishers can better focus their efforts to reduce their carbon emissions.

2005 Environmental Awards

Warner Bros. Entertainment

- The California Governor's Environmental and Economic Leadership Award (Green Building and Sustainable Facilities category), 2005
- State of California "Flex Your Power" Energy Efficiency Award, 2005
- California Integrated Waste Management Board: Waste Reduction Award (WRAP), 2004 (and several years prior)
- U.S. Environmental Protection Agency (EPA) Region 9, 2003 Environmental Achievement Award

Time Inc.

- Rainforest Alliance: Green Globe Award — May 2004
- Forest Leadership.com
2005 Forest Leadership Award for leadership toward sustainable forestry

Aspirations for the Future

As many of our businesses increasingly move into digital formats, we hope to reduce the amount of waste generated by our industry. In 2005, Time Warner established the Environmental Working group, a cross-divisional working group, whose mission is to provide a venue for our businesses to collaborate and share information about environmental concerns and practices.

6.

Supply Chain

SUPPLY CHAIN: INTRODUCTION



Marilynn Newton and John Serna of Warner Bros., and Greta Davis, Time Warner's National Director of Supplier Diversity, at the Southern California Minority Business Development Council's Minority Business Opportunity Conference.



Rick Yeager, Time Warner's Senior Vice President, Finance, and one of Time Warner's suppliers talk at a Time Warner reception in Washington, D.C.

Time Warner purchases products and services, ranging from paper to DVDs, from hundreds of suppliers around the world. The company also licenses its images, brands and characters, ranging from Bugs Bunny to the *Power Puff Girls*, to licensees who then use these images to manufacture toys, electronics, posters, costumes and other products that they sell. These licensees work with thousands of manufacturers around the world to produce these and other products.

Our purpose in discussing these issues in our first report is to highlight our accomplishments in the area of supplier diversity and to be honest about our challenges in supply chain management. Our goal during the next few years is to make progress in these areas.

SUPPLIER DIVERSITY

At Time Warner, we believe that supplier diversity is both an important part of corporate citizenship and a business imperative. We strengthen our businesses by supporting supplier diversity. We recognize that the greatest potential for customer acquisition and retention lies in the fastest-growing customer segments — minorities and women — many of whom also have or will create businesses with the potential to serve our needs. The increased competition that results from expanding a company's supplier base drives lower prices and better quality.

Time Warner has a supplier diversity task force of representatives from all our businesses, as well as supplier diversity professionals driving purchasing decisions on a day-to-day basis. The ever-changing nature of the global economy means that to remain competitive a company must reach out and include the broadest range of people, points of view, ideas, products and services. Our supplier diversity initiatives are designed to do just that.

Our supplier diversity process is simple. If suppliers have third-party certification of their minority or nonminority woman-owned status, they are qualified to register in our National Supplier Directory. After suppliers complete an online registration form, they are sent an email confirming that their information has been reviewed and entered into the database. They are then free to use the supplier diversity

Web site (www.twsupplierdiversity.com) to obtain Time Warner contacts to whom they may market their goods and services. Employees looking for goods and services are able to access the supplier diversity database.

Beyond this database tool, our supplier diversity initiative includes training, education, internal and external communications, business development, internal networking activities, reporting and a process through which suppliers are recognized. In addition to providing Minority and Women Business Enterprises (MWBES) with access to buying decision-makers at Time Warner, we support business functions that promote educational and networking opportunities. Another initiative expands Time Warner's supplier diversity efforts by requiring our primary contractors to utilize and report on spending with diverse subcontractors the primary contractors use. This process is designed to enhance our efforts to support MWBEs.

Since our supplier diversity's programs inception in 2002, both the number of MWBEs in our database and spending with those businesses have steadily increased from year to year. We have more than 20,000 suppliers in the database. Time Warner's spending with MWBEs has grown from \$400 million in 2003 to \$428 million in 2004 and to \$438 million in 2005. Our 2005 diversity expenditures represented 3.3% of our total discretionary spend.

Supplier Diversity Awards

- Time Warner made the Hispanic Network Magazine's 2005 list for Top Companies in Supplier Diversity.
- Time Warner was number 11 on DiversityBusiness.com's 2005 list of America's Top Organizations for Multicultural Business Opportunities.

2005 Accomplishments

- Integrated Supplier Diversity into the Strategic Sourcing Process. Through this process, new MWBE suppliers gained national contracts with Time Warner.

GREEN PROCUREMENT

Time Warner regularly convenes procurement specialists from all divisions to identify the best practices for sourcing many common items, such as office supplies. When choosing environmentally-preferable products, the company seeks to take the following factors into account:

- Making efficient use of all materials, energy, and water,
- Minimizing waste and harmful emissions,
- Maximizing material recyclability,
- Seeking local and diverse suppliers, and
- Actively acknowledging the effects our procurement choices have on the environment

In 2006, Time Warner's Environmental Sustainability Group plans to develop some actionable items and metrics that we can use to measure our success.

SUPPLY CHAIN MANAGEMENT

Time Warner has established the Procurement Council, a cross-divisional group whose mission is to develop strategies for reducing costs and enhancing value in the acquisition of goods and services. One of the goals of this group is to discuss supply chain standards issues.

We have also established an International Supply Chain council. The members of this council, along with other executives, are working to develop an international vendor code of conduct. The initiative to develop this code of conduct and monitoring systems will be one of our challenges in 2006 and 2007. We expect that it will take us a few years to implement an effective code.

Drawing upon the good work of our industry peers and others in this area, as well as our company's own experiences, we plan to develop guiding principles, incorporate those principles in our contracts with suppliers and licensees, where applicable, and develop a monitoring program to enhance the effectiveness of the principles.

7.

Community

COMMUNITY: INTRODUCTION

Time Warner has a long history of working at the community level to provide philanthropic support for many worthwhile causes and organizations. Our goal is to focus our resources smartly and strategically and ensure that the work we do connects closely to our company and its values, even as it adds value to the communities in which we do business.

Time Warner’s corporate office directs funds to not-for-profits in the arenas of education and the arts. We support organizations, on the local and national levels, that nurture and energize creativity and diversity in the arts, and programs aimed at strengthening our public schools and at closing the college-opportunity gap so that young people from all walks of life are equipped with the knowledge and skills to succeed today and tomorrow. As a media company that both creates and delivers content through a spectrum of outlets, we believe that this philanthropic focus not only helps to strengthen the social fabric of our world, but also contributes to the long-term success of our businesses.

Time Warner’s divisions also manage their own philanthropic programs, in many cases taking the company’s education and arts focus even deeper into the community. For example, for the past 17 years Time Warner Cable has recognized creative K-12 teachers with its National Teacher Awards; Turner Broadcasting employees provide 10,000 hours of volunteer service to more than 40 nonprofit sites every year as part of Turner Volunteer Day; and the AOL Aspirations Fund is committed to awarding school-based grants of up to \$10,000 each to middle schools and high schools that are deeply dedicated to opening doors of opportunity and to helping students envision positive futures.

Total Contributions (2005)

Total company contributions	\$293.8 million
Total cash contributions	\$58.8 million
Total in-kind contributions	\$235.0 million

TIME WARNER’S CORE PHILANTHROPY: EDUCATION AND THE ARTS

Education

Time Warner is dedicated to supporting education programs in partnership with public schools, community agencies and our employees. The company is now involved in a two-pronged strategy to meet the challenge of ensuring a quality education for all. We are focused on increasing the number of highly trained public school principals in New York City, where we are headquartered, and improving opportunities for youth from disadvantaged backgrounds to go to college.

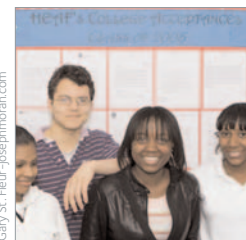
Supporting Public School Leadership

Through our commitment of financial and human resources, Time Warner supports the Leadership Academy, an intensive training program that provides dedicated men and women with the tools and experience required to lead NYC public schools with the greatest need. The Leadership Academy has become a model for other cities around the country and is working with some of the nation’s largest school systems to replicate this successful program for school improvement.

Improving College Opportunities

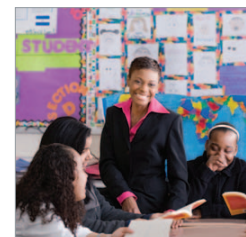
Many factors encourage or hinder a student’s ability to prepare for and access higher education in this country. Time Warner is helping to increase opportunities for students to attend college through several initiatives:

- Expanding community programs to help middle and high school students be prepared academically, make sound college selections and find the necessary financial resources.
- Providing scholarships to close the financial gap that often keeps students from continuing their studies.
- Funding research and advocacy that increases understanding and action to support college success.



Gary St. Fleur-josephmoran.com

Time Warner provides grants to a number of after-school college prep programs, among them, Harlem Educational Activities Fund Inc. (HEAF).



Talana Clark-Bradley, a graduate of the Time Warner-funded NYC Leadership Academy, now the principal at The Bronx Expeditionary Learning High School, with her students.



Students in production at the Educational Video Center (EVC) Documentary Workshop, one of the after-school media and creative arts programs supported by Time Warner.



Time Warner supports the Apollo Theater Foundation in its efforts to shine a spotlight on the work of African-American artists.



Time Warner employee, Cavan Huang, volunteers his time and expertise for a nonprofit organization as part of Time Warner's Pro Bono Consulting program.

The Arts

Support of innovation and diversity in the arts is integral to Time Warner's interests as a creative company. The company is focused on making a significant and positive impact in the community through funding initiatives that:

- *Broaden public access to the arts*
From sponsorship of public performances to underwriting ticket prices, Time Warner's goal is to help make the enriching experience of the arts more accessible to a broader and more diverse audience.
- *Engage underserved youth with arts programs*
The arts serve as a remarkable tool for engaging young people in learning, enabling them to grow as individuals and providing them with opportunities for self-expression. Time Warner helps make opportunities available through partnerships with New York City cultural institutions and support of innovative after-school programs.
- *Foster and energize diverse voices in the arts*
The creation, development and production of work that reflects the voices and experiences of underrepresented artists is critical to ensuring that art remains vibrant and relevant as a means of fostering communication and understanding. In this important arena, Time Warner funds organizations that cultivate and showcase the work of new and diverse talent, at the local and national levels, and groups that provide assistance to diverse young people seeking careers in the creative arts.

Diversity in Our Nonprofit Partners

Our grant-making reflects our commitment to promoting equity and inclusion in the communities where we live and work. As part of this effort, we ask the nonprofit organizations that receive our financial support to tell us how they address diversity as part of their larger mission — including diversity on the board, in programs, as part of policies and in hiring practices.

EMPLOYEE GIVING AND VOLUNTEERISM

Time Warner believes that giving employees the flexibility to broaden their own experience through volunteer programs is essential to creating a highly creative and motivated workforce. To help in this regard, the company has in place a number of programs and partnerships with nonprofits to foster and support employee volunteerism. Among the many volunteer opportunities offered to employees are:

Pro Bono Consulting Initiative

In this flagship program, teams of employees volunteer their business services in the areas of branding, database development, brochure design, annual report creation, and human resources management to nonprofit organizations in the New York City area. For example, a team of volunteers developed a branding campaign for the nonprofit Harlem Educational Activities Fund (HEAF), a college preparatory program for students. The team created everything from a logo for HEAF to a tag line: "Engage, Educate, Elevate." Each team member invested five to ten hours per week for six months.

Nonprofit Board Training

As part of the leadership development opportunities offered by the company, executives learn about responsibilities of effective nonprofit board service and then are matched to nonprofit boards to apply their skills.

Employee Volunteer Grants

Employee Volunteer Grants support the nonprofit organizations and schools where Time Warner employees volunteer. Employees who volunteer 30 hours or more per year at one nonprofit organization are eligible for a \$1,000 grant to that organization. Volunteer hours accumulated during the last six months of 2005 totaled over 39,000.

Employee Matching Grants

Time Warner will match eligible employee contributions to educational institutions or arts and culture organizations, within limits and ratios set by each division.

2005 Employee Volunteer Grants	\$546,615
2005 Employee Gifts and Company Match	\$2,432,694

Recognizing Employees for Exemplary Community Service

Time Warner recognizes employees who have made exceptional contributions to public service with the Andrew Heiskell Awards for Community Service, which are presented each June in New York City. Time Warner's Chairman and CEO, as well as the CEOs of each of Time Warner's divisions, attend the event. Approximately ten winners are selected from hundreds of nominations. Prizes include an honorarium and a company donation on behalf of the employee to the nonprofit organization of his or her choice. In 2006, Time Warner will mark the 25th anniversary of the program.

GLOBAL RELIEF EFFORTS

Like many companies, Time Warner responded with tremendous generosity to 2004 and 2005's terrible toll of natural disasters around the world.

In keeping with our tradition of public service, we told the stories of people affected by natural disasters on CNN and in our magazines. We donated cable time, AOL Internet access, advertising space, and other services to those in need. And we used television shows, telethons and online services to encourage others to give money in response to relief efforts.

Financial contributions, both from the company and employees, included:

Indian Ocean Tsunami, 2004

Over \$4.2 million, including public service announcements and employee contributions, were donated to nonprofit organizations including the American Red Cross, CARE, Doctors Without Borders and UNICEF.

Gulf Coast Hurricanes, 2005

As a company and with our employees we donated close to \$5 million in immediate relief efforts, including \$1 million to community-based organizations that are providing direct assistance to people in need — helping children continue their education or reenroll in school, providing basic necessities and helping communities get back on their feet.

Pakistani Earthquake/Central American Mudslides, 2005

A total of \$180,380 was donated to relieve victims of both the earthquake and the mudslides. Employees donated \$91,030 (which the company matched with \$89,350) to three organizations helping with the recovery and rebuilding of the affected areas: CARE, Save the Children, and UNICEF.

London Bombings, 2005

We gave \$100,000 to the British Red Cross.

CSR Membership Organizations

- Business for Social Responsibility
- Boston College Center for Corporate Citizenship
- Ceres
- World Business Council for Sustainable Development
- Committee to Encourage Corporate Philanthropy
- The Conference Board



Community Section photos by josephmeram.com

Award-winner Constance Biteye (New Line Cinema) and her son at the 24th Annual Andrew Heiskell Awards for Community Service, Time Warner's highest employee award for exceptional contributions to public service.

8.

Conclusions and Plans

Challenges and Opportunities

These are challenging and exciting times for the media and entertainment industry. At Time Warner, we are poised to take advantage of the opportunities that are emerging as a result of evolving digital technologies, changes in consumer behavior and underlying demographic trends.

In this report, we outlined areas in which we meet or exceed the standards we have set forth for ourselves. At the same time, we have tried to be open about the areas where we have more work to do. In the broad area of corporate citizenship, we have identified three goals for the years ahead. First, we will develop and begin implementing an international vendor code of conduct, along with efforts to monitor compliance. Second, we will lead a companywide effort to set our environmental priorities; we are analyzing the feasibility of measuring our overall environmental footprint. Third, we will continue our work to develop meaningful metrics to track our corporate responsibility efforts and progress over time. We are also committed to continuing to strengthen our record in the areas of corporate governance and delivering employee satisfaction.

With our content becoming more diverse and more widely available than ever, the responsibility of good citizenship is becoming even more critical to our success. Our customers and employees are increasingly concerned, not only about the quality of their own lives, but also about the quality of life in their communities, in their workplace and in their world. If we are to succeed in these dynamic times, we must continue to align our business objectives with the highest values and we must let our consumers, shareholders and employees know that the overall bottom line for Time Warner is a stronger, safer, healthier, freer and more prosperous world for everyone.

The 19th-century French traveler and social philosopher, Alexis de Tocqueville, in his famous study *Democracy in America*, concluded that America's greatness comes not from government or education or even business. He famously declared that "America is great because America is good." We believe the same can be said for our company. As Tocqueville might say, "If Time Warner ever ceases to be good in character, Time Warner will cease to be great." We pledge ourselves, in all we do, to the ceaseless drive to be both good and great.

Ideas and Comments

We value the input of all our stakeholders and encourage feedback and suggestions.

If you would like to tell us about your ideas, please email us at:

Corporate.Responsibility@timewarner.com

Or send a letter to:

Office of Corporate Responsibility
Time Warner Inc.
One Time Warner Center, 11th Floor
New York, NY 10019

GLOBAL REPORTING INITIATIVE CONTENT INDEX

This index was developed to help interested readers compare the information in Time Warner's Corporate Social Responsibility Report with the Global Reporting Initiative (GRI) 2002 guidelines.

"Partial" indicates that we have provided a portion of the information required and we're working toward better data collection to more fully report this information. "Not Applicable" indicates that the topic does not apply to our operations. GRI Indicators that are not reported mean that the information is not collected on a global basis, that the information is kept confidential for competitive and/or other reasons, or that we were not able to address the topic for the current report but will look to address it in future reports.

GRI		Report Section	Page Numbers
Indicator	Description		
Vision and Strategy			
1.1	Statement of the organization's vision and strategy regarding its contribution to sustainable development	Company Overview	p 3
1.2	Statement from the CEO describing key elements of the report	Company Overview	p 3
Profile			
2.1	Name of reporting organization	Company Overview	p 4
2.2	Major products and/or services	Company Overview	p 4
2.3	Operational structure of the organization	Company Overview	p 4-5
2.4	Description of major divisions, operating companies, subsidiaries and joint ventures	Company Overview	p 4
2.5	Countries in which the organization's operations are located	Company Overview	p 5 <i>Partial</i>
2.6	Nature of ownership; legal form	Company Overview	p 5
2.7	Nature of markets served	Company Overview	p 4-6
2.8	Scale of the reporting organization	Company Overview	p 4-6
2.9	List of stakeholders, key attributes of each, and relationship to the reporting organization	Company Overview	p 7 <i>Partial</i>
Report Scope			
2.10	Contact person(s) for the report, incl. email and web addresses	Conclusions and Plans	p 45
2.11	Reporting period for information provided	Company Overview	p 6
2.12	Date of most recent previous report (if any)	Not Applicable	
2.13	Boundaries of report and any specific limitations on the scope	Company Overview	p 6
2.14	Significant changes in size, structure, etc. since previous report	Not Applicable	
2.15	Basis for reporting on joint ventures, subsidiaries, etc.	Not Applicable	
2.16	Explanation of the nature and effect of any re-statements	Not Applicable	
Report Profile			
2.17	Decisions not to apply GRI principles or protocols in the preparation of the report	Company Overview	p 7
2.18	Criteria/definitions used in any accounting for economic, environmental, and social costs and benefits	Company Overview	p 7
2.19	Significant changes from previous years in the measurement methods applied to key economic, environmental, and social information	Not Applicable	
2.22	Means by which report users can obtain additional information and reports (if available)	Conclusions and Plans	p 45
Governance Structure and Management Systems			
3.1	Governance structure, including major board committees	Ethics, Governance & Public Policy	p 22-23
3.2	Percentage of the board that is independent, non-executive	Ethics, Governance & Public Policy	p 22
3.3	Process for determining the expertise board members need to guide the strategic direction of the organization	Ethics, Governance & Public Policy	p 22
3.4	Board-level processes for overseeing the organization's identification and management of economic, environmental, and social risks and opportunities	Ethics, Governance & Public Policy	p 22-23 <i>Partial</i>
3.6	Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies	Company Overview Ethics, Governance & Public Policy	p 7 p 22-23
3.7	Mission and value statements, internally developed codes of conduct or principles, and policies related to economic, environmental, and social performance, and the status of implementation	Company Overview Ethics, Governance & Public Policy	p 5 p 21
3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors	Ethics, Governance & Public Policy	p 23

Indicator	Description	Report Section	Page Numbers
Stakeholder Engagement			
3.9	Basis for identification and selection of major stakeholders	Company Overview	p 7
3.10	Approaches to stakeholder consultation reported in terms of frequency, type, and group	Company Overview	p 7
3.11	Type of information generated by stakeholder consultations	Company Overview	p 7
3.12	Use of information resulting from stakeholder engagements	Company Overview	p 7
Overarching Policies and Management Systems			
3.15	Principal memberships in industry and business associations, and/or national/international advocacy organizations	Ethics, Governance & Public Policy Community	p 24 p 43
3.16	Policies and/or systems for managing upstream and downstream impacts including supply chain and stewardship	Supply Chain	p 38–39 <i>Partial</i>
3.17	Reporting organization's approach to managing indirect economic, environmental, and social impacts resulting from its activities	Supply Chain	p 38–39 <i>Partial</i>
3.18	Major decisions during the reporting period regarding the location of, or changes in, operations	Not Applicable	
3.19	Programs and procedures pertaining to economic, environmental, and social performance	Ethics, Governance & Public Policy Employees & Workplace	p 21 <i>Partial</i> p 26–29 <i>Partial</i>
GRI Content Index			
4.1	Table identifying the location of each element of the GRI report content	Conclusions and Plans	p 46
Economic Performance			
<i>Customers</i>			
EC1	Net sales	Company Overview	p 6
EC2	Geographic breakdown of markets	Company Overview	p 5–6 <i>Partial</i>
<i>Providers of Capital</i>			
EC6	Distributions to providers of capital	(2005 Time Warner financial statements)	
EC7	Increase/decrease in retained earnings at end of period	(2005 Time Warner financial statements)	
<i>Public Sector</i>			
EC10	Donations to community, civil society, and other groups broken down in terms of cash and in-kind donations per type of group	Community	p 41
Environmental Performance			
<i>Emissions, Effluents, and Waste</i>			
EN10	NO _x , SO _x and other significant air emissions by type	Not Applicable	
EN12	Significant discharges to water by type	Not Applicable	
EN13	Significant spills of chemicals, oils, and fuels in terms of total number and total volume	Not Applicable	
<i>Products and Services</i>			
EN14	Significant environmental impacts of principal products and services	Environment	p 33–35 <i>Partial</i>
Social Performance: Labor Practices and Decent Work			
<i>Employment</i>			
LA1	Breakdown of workforce by employment type and region	Company Overview	p 5
<i>Labor/Management Relations</i>			
LA3	Percentage of employees represented by independent trade union organizations or other bona fide employee representatives	Employees & Workplace	p 30 <i>Partial</i>
LA4	Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organization's operations	Employees & Workplace	p 30 <i>Partial</i>
<i>Health and Safety</i>			
LA5	Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases	Employees & Workplace	p 30–31 <i>Partial</i>
LA6	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees	Not Applicable	

Indicator	Description	Report Section	Page Numbers
	<i>Training and Education</i>		
LA16	Description of programs to support the continued employability of Employees and to manage career endings	Employees & Workplace	p 26–27
	<i>Diversity and Opportunity</i>		
LA10	Description of equal opportunity policies or programs, as well as monitoring systems to ensure compliance and results of monitoring	Employees & Workplace	p 28–29 <i>Partial</i>
LA11	Composition of senior management and corporate governance bodies	Ethics, Governance, & Public Policy Employees & Workplace	p22 p 28–29
	Social Performance: Human Rights		
	<i>Strategy and Management</i>		
HR1	Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations	Supply Chain	p 38–39 <i>Partial</i>
	<i>Non-Discrimination</i>		
HR4	Description of global policy and procedures/programs preventing all forms of discrimination in operations	Supply Chain	p 38 <i>Partial</i>
	<i>Freedom of Association and Collective Bargaining</i>		
HR5	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures to address this issue	Employees & Workplace	p 30 <i>Partial</i>
	<i>Forced and Compulsory Labor</i>		
HR7	Description of policy to prevent forced and compulsory labor and extent to which this policy is visibly stated and applied, as well as description of procedures to address this issue	Supply Chain	p 39 <i>Partial</i>
	Social Performance: Society		
SO4	Awards received relevant to social, ethical, and environmental performance	Employees & Workplace Environment Supply Chain	p 28 p 36 p 38
	<i>Bribery and Corruption</i>		
SO2	Description of the policy, procedures/management systems, and compliance mechanisms for organizations and employees addressing bribery and corruption	Ethics, Governance, & Public Policy	p 21
	<i>Political Contributions</i>		
SO3	Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions	Ethics, Governance, & Public Policy	p 24
SO5	Amount of money paid to political parties and institutions whose prime function is to fund political parties or their candidates	Ethics, Governance, & Public Policy	p 24
	Social Performance: Product Responsibility		
	<i>Customer Health and Safety</i>		
PR1	Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue	Customers and Content	p 9–10, 12–19
PR6	Voluntary code compliance, product labels or awards with respect to social and/or environmental responsibility that the reporter is qualified to use or has received	Customers and Content	p 18–19
	<i>Products and Services</i>		
PR2	Description of policy, procedures/management systems, and compliance mechanisms related to product information and labeling	Customers and Content	p 18–19
	<i>Respect for Privacy</i>		
PR3	Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy	Customers and Content	p 15–16

For the complete Sustainability Reporting Guidelines, visit www.globalreporting.org.