



Creating a better everyday™

2012 Outerwall Corporate Social Responsibility Report

Table of Contents

	A Letter From Our CEO	3
	Who We Are	6
	People	10
	Community	16
	Environment	22
	Global Reporting Initiative Index	28

We Want To Hear From You

Please let us know what you think. We invite you to provide feedback on this report and our CSR performance.

Email us at: csr@outerwall.com

To our stakeholders



Welcome to our second corporate social responsibility report. I'm proud to say Outerwall continues to instill corporate social responsibility (CSR) practices throughout our company. Our approach to CSR reflects our belief that Outerwall is part of an interdependent ecosystem that includes our retailers, suppliers, customers, employees and communities we serve. We understand

our actions impact others, and we're dedicated to keeping our impact positive. Results from our employee survey indicate these efforts are paying off, as 86% of employees now believe we are a responsible corporate citizen, compared to 58% just two years ago.

Employees are at the very center of our responsibility efforts and we are committed to ensuring our employees and leaders reflect the diversity of our communities and customers. Additionally, we work hard to be responsible stewards of the environment by asking our employees to use their innovation and creativity to reduce our energy use and carbon footprint. This approach enabled us to exceed our 2015 carbon reduction goal by five percentage points and improve our bottom line. Our focus and intention helps attract people who want to be part of a company that offers a work experience with meaning, purpose and inclusion.

Outerwall's continued community involvement is aligned with our business priorities and goals. In 2012, employee participation in volunteer service grew to 28% and the number of employees that used our matched giving program to donate to nonprofit organizations increased 42% from the previous year. Partnering with nonprofit organizations and volunteering in local and diverse communities enable us to engage with our consumers more deeply while helping improve the neighborhoods where we live and work.

We're relentless in our commitment to improve. We're open to learning. And we're excited to be taking the next steps on our sustainability journey. Thank you for your interest in Outerwall. We welcome your thoughts and suggestions at csr@outerwall.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Scott Di Valerio', with a large, stylized flourish at the end.

J. Scott Di Valerio
Chief Executive Officer



How we're doing.

Corporate social responsibility is a journey.
Here's how we're progressing on ours.

2012 REPORT GOALS	RESULTS	2015 TARGET
Double corporate charitable giving.	More than doubled charitable giving compared to 2011. See page 18 for more details.	Donate 1% of the previous year's after-tax profits.
Increase the percentage of employees participating in company-sponsored volunteer events by 50% by 2015.	Increased percentage of employees who volunteered through work from 25 to 28%. See page 17 for more details.	Increase percentage of employees volunteering through work to 33%.
Reduce operational greenhouse gas emissions by 5% by 2012 and 15% by 2015.	Reduced greenhouse gas emissions intensity by 20% compared to our 2010 baseline. See page 23 for more detail.	Reduce operational greenhouse gas emissions intensity by 15%.
Reduce average kiosk energy use by 5% by 2012 and 15% by 2015.	Increased average kiosk energy use by 4% compared to our 2010 baseline. See page 26 for more detail.	Reduce average kiosk energy use by 15%.

+2x



How we're doing.

Corporate social responsibility is a journey.
Here's how we're progressing on ours.

2012 REPORT GOALS	RESULTS
Grow the employee participation rate in our company-sponsored wellness challenge to 45%.	Increased employee participation rate to 58%. See page 11 for more detail.
Increase the number of managers participating in core management skills training to 100%.	Launched training with 40% participation. Re-tooling training for 2013 launch. See page 13 for more detail.
Increase employee satisfaction with training and career advancement opportunities to 62% or higher.	Remained the same as in 2011. See page 12 for more detail.
Develop a shared value scorecard to track positive social and environmental impact across all products and services.	Developed and evaluated shared value scorecard. Embedding shared value in current evaluative metrics rather than as a separate scorecard. See page 8 for more detail.

58
percent



We believe a better tomorrow is right around the corner.



At Outerwall, everything we do starts with a simple question: What's good for people?

That's how we create simple, meaningful experiences that make everyday easier, convenient and more fun—all with an increasing emphasis on what is good for people and society.

But asking that question does even more than that. It drives us to consider how we can better support our employees, serve our communities and protect our planet. It compels us to examine how we can leverage our small-footprint businesses to do more good for our consumers and society.



Reimagining retail with inventive solutions:

Coinstar helps consumers turn their cash and coins into something they want even more. Our Coins That Count® Donation Program even lets them donate to a number of charities right from a Coinstar® kiosk.

Redbox delivers entertainment with a smile by making popular movies and video games easier to enjoy. No wonder it has become one of America's most popular entertainment destinations with more than 3 billion discs rented to date.

We continue to revolutionize the way people shop and do business with a growing portfolio of accessible and affordable products and services. Right now, we're rolling out our Rubi™ coffee kiosk in select markets.

It's the right time for automated retail, and we know that providing enduring products and services that are good for people and the planet are also good for business. And no one's better equipped than we are to leverage our expertise and our inventive culture to embrace the opportunities ahead.

Growing at the speed of innovation

In 2012, Outerwall ranked 15th overall on *Fortune* magazine's list of the 100 Fastest-Growing Companies. For the third consecutive year, we ranked in the top 100, reflecting our strong growth.

In addition, Outerwall ranked 152nd on Deloitte's 2012 Technology Fast 500™, a ranking of the 500 fastest-growing technology, media, telecommunications, life sciences and clean technology companies in North America, based on revenue growth from 2007 through 2011.

While we're proud of these accomplishments, we're even prouder that, as we grow, we have maintained the unique energy that makes us who we are. And we realize that with this growth comes responsibility.



Accountability for responsibility

The CEO and Executive Committee established the office of Corporate Responsibility in 2010 and it has gained widespread support ever since. Because sustainability and corporate citizenship are not possible without engagement throughout the company, we take several approaches to involving employees and embedding these values in the culture.

Our Director of Corporate Responsibility reported directly to our CEO in 2012 and engaged the Board of Directors about our strategy and progress toward goals.

Corporate responsibility initiatives are guided by an Advisory Committee comprising a cross-section of business and functional leaders at the vice-president level or higher who meet quarterly. There are also committees and task forces engaging employees throughout the company in initiatives such as improving our community involvement and reducing our carbon footprint.



Embedding Corporate Shared Value in Outerwall's values



One of our 2012 goals was to develop a scorecard to integrate Corporate Shared Value (CSV) into our strategies, products and practices. CSV drives simultaneous business and social results by creating economic value in a way that also creates value for society. This project was selected by a team of graduate students studying sustainability at the MIT Sloan School of Business.

The team interviewed internal stakeholders and reviewed best practices from other companies. It then made several recommendations to help integrate social and environmental impact and further embed CSV into Outerwall's culture and practices, enabling us to better integrate sustainability into our business.

As a result, we are integrating a number of MIT Leadership Laboratory recommendations:

- Embed CSV into existing scorecards, dashboards and measurement tools instead of creating a separate scorecard.
- Share and reinforce both top-down and bottom-up efforts that promote sustainability and corporate citizenship.
- Develop CSV initiatives that are deeply aligned with the company's strategy.
- Incent and reward CSV efforts.
- Educate employees at all levels of the organization about the relevance of CSV to competitive advantage.

Employees react to our first CSR report

"I learned that we are all in this together—that everyone is making a difference in many different ways."

"I really like the direction that we are headed and I am proud to say that I work for a company that cares about more than just making a profit."

"Our impact is small by one but great when one of many."

"I hadn't considered the environmental impact of our business before reading the report."

"I am proud to work for a company that values and acts upon these issues."

"I always had a positive outlook about my workplace, but now I have a renewed enthusiasm about our company and the commitment it has to its people and what they care about."

92
percent

< employees who learned something new about Outerwall after reading our first CSR report





Building a better business, one great employee at a time

In everything we do, from developing new business ideas to working together, we put people first.

Outerwall creates an energy that makes our employees feel that they're part of something bigger. And they are. Together, we're building a company that's expanding possibilities for consumers, growing revenue for partners and creating new opportunities for employees to advance their careers. A company that provides a work experience with meaning and purpose.



Growing with the right talent

Great people are the key to our continued growth and innovation. We seek creative thinkers, team players and employees who enjoy a challenge. We're proud to offer a welcoming culture and a workplace full of opportunity.

88
percent

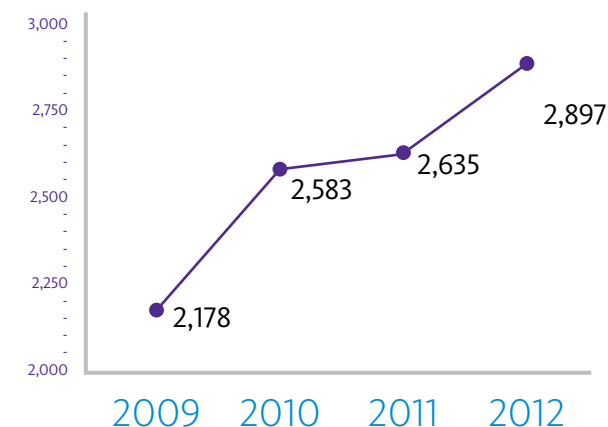
< Outerwall employees
satisfied with benefits
package – up 3% from 2011

Investing in our employees everyday

We're in the business of good ideas. And we believe the best ideas start from a healthy place. That's why we're committed to offering our employees a best-in-class benefits package that meets each individual's unique needs. Key 2012 accomplishments include:

- 32% of employees took advantage of the Wellness Matters Reimbursement Program, up from 27% in 2011. This program helps employees get and stay fit by reimbursing them for wellness-related expenses, such as fitness center memberships and bikes.
- 58% of employees embraced our annual Kiosk 2 Kiosk summer walking challenge, reflecting our high energy and love for a little friendly competition—and far surpassing our goal of 45% participation.

Number of Employees



Keeping a focus on safety

Because more than half of our employees drive their own or company-issued vehicles to service our kiosks, safe driving and accident prevention continues to be a fundamental focus. In 2012, 25% of our drivers completed in-person, defensive driver training delivered by our in-house certified instructors, helping us reduce preventable vehicle incidents.



Our Occupational Safety and Health Administration (OSHA) incident rate was 2.82, a 25% improvement over the previous year. When an incident occurs, it is investigated and corrective action plans are developed, where appropriate.

We intend to maintain a focus on field employee safety efforts—particularly driver safety—as we continue to develop a more comprehensive program to keep Outerwall people safe and healthy throughout the company.

Employees talk, we listen

We are focused on making Outerwall a great place to work, and believe the most meaningful way to do this is by listening to our employees. Each year we do this through our company-wide Employee Engagement Survey. The survey—which had an 83% response rate in 2012—asks for feedback from employees across 11 areas, ranging from our customer focus to our corporate values. We use this feedback to develop key initiatives, and we invite employee teams to help identify specific areas of focus.

In 2012, we aimed to increase employee satisfaction with training and career advancement opportunities to at least 62%. While we made significant progress in building a structured approach to training and development within the company, our satisfaction rate in the 2012 survey results was flat with 2011.

We're working to improve in some areas—and we feel great about our results in others, including:

- 81% have confidence in the future of the company
- 83% agree that their work gives them a sense of personal accomplishment
- 70% of employees feel comfortable expressing new and better ways of doing things—even challenging conventional wisdom



Every contribution counts

Our employees work hard and their achievements against individual and team goals are critical to our success. That's why we ensure that 100% of our employees receive annual performance reviews—including our field employees, who are often on the road.

Developing today's and tomorrow's leaders

We are excited about making Outerwall a place that people can come, stay and grow their careers. Our future curricula will offer employees just-in-time learning opportunities to meet individual needs and build leadership competencies that are essential to career growth.

In 2012, we delivered a core management training program to ensure that Outerwall managers are equipped to effectively manage others. Our goal was for all managers to complete this program and 40% completed it in 2012. However, based on feedback on the training delivery method, we adjusted our expectations for course completion.

In 2013, we are re-launching this program as a blended learning opportunity that makes better use of computer-based training and instructor-led skill labs. We're expanding this blended learning approach to other programs to enhance the employee experience.



Our differences make the difference

We believe that innovation comes from unique ideas—and unique ideas come from people with varied backgrounds and life experiences. That's why we strive for a culture that celebrates how the ability to “come as you are” enriches our business.

Every Outerwall employee is required to take our diversity and inclusion awareness training, and we look for ways to connect employees around what matters to them.

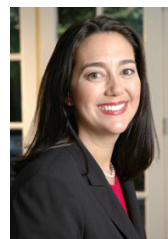
In 2012, we launched three employee-led Business Resource Groups (BRGs) to advance diversity and inclusion; leverage our employees' energy, experience and connection; and contribute to business success. BRGs enable employees to network, exchange views and accelerate their professional growth and development while providing resources for both group members and the organization. BRGs launched in 2012 were:

- Women's Insight Network
- Maximizing Opportunities Standing Together (multicultural group)
- INcrowd (Lesbian, Gay, Bisexual and Transgender [LGBT] and Allies)

Nearly 300 employees are members of these initial BRGs, and, we look forward to welcoming new employee-led groups in the future.

Celebrating diversity: Outerwall comes together to honor Dr. Martin Luther King, Jr.

In the spirit of diversity and inclusion, employees across the company participated in a series of events to honor Dr. King in January 2012. It all started with a special screening of the film, *Freedom Writers*, followed by a discussion of the movie's themes.



Freedom Writers profiles teacher Erin Gruwell and her students in an underprivileged and dangerous environment. Gruwell built a strong relationship with her students by having them write stories about their lives and the obstacles they faced. Likening their personal experiences to those of the Freedom Riders during the Civil Rights era, the students called themselves the Freedom Writers.

Erin Gruwell and one of her students visited Outerwall's offices in Bellevue, Washington, while two of the Freedom Writers portrayed in the movie visited our office in Oakbrook Terrace, Illinois.

One of the Freedom Writers told Outerwall employees that the link between Dr. King's work and Ms. Gruwell's classroom taught him that: “Freedom is not a noun. It's a verb. It's how you live.”



Diversity at a glance

When we say we promote diversity and inclusion throughout the company, we mean the entire company—including our management and the board of directors.

	Company-wide Workforce	Management (Director and above)	New Hires	Board of Directors
Caucasian	74%	70%	69%	86%
Other	26%	30%	31%	14%
Male	69%	69%	65%	86%
Female	31%	31%	35%	14%
Age (under 40)	49%	35%	59%	14%
Age (over 40)	51%	65%	41%	86%

Data as of December 31, 2012

What our employees say:

Outerwall makes it easy for people of diverse backgrounds to succeed: **74** percent

My manager takes a stand against inappropriate behavior: **83** percent

My manager creates an environment that reflects the Outerwall values: **84** percent



Outerwall's commitment to diversity has shown up in many ways, but one of the most apparent is the changing face of our leadership team. Half of Outerwall's executive team members were women in 2012, up from just one female leader at the highest level in 2010.

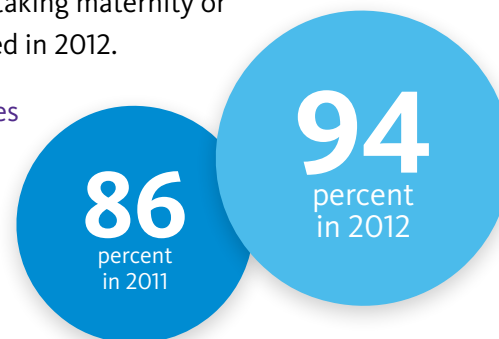
“ We are proud that half of our Executive Leadership Team is women. Additionally, all of the executive team members are parents, which has helped shape our culture of inclusion. ”

-Raquel Karls, Chief Human Resources Officer

Outerwall employees choose to return to work

We're delighted to offer the kind of work environment employees value, and we're thrilled that the percentage of Outerwall employees who chose to return to work after taking maternity or paternity leave increased in 2012.

Percentage of employees returning to work after maternity or paternity leave: >





Creating community where we live and work

Giving back improves our lives, builds better tomorrows for our communities and strengthens relationships with our neighbors.

Getting out of our work environments to engage with our communities through service gives us another way to surprise and delight people. It delights Outerwall employees, too, who love to volunteer.



We're thrilled that employee participation in company service projects has grown from 3% in 2010 to 28% in 2012. Our goal is to have a third of all employees volunteering by 2015. This growth was created by encouraging employees to select nonprofits they were passionate about and then getting their coworkers involved by developing a team service project. Employees were able to earn a grant for the nonprofit by volunteering together.

We also provided volunteer opportunities at our office locations to make it easy for employees to get involved. To make sure employees feel supported and encouraged to volunteer, our executives are involved and actively participate.

We introduced Paid Volunteer Time in 2012 to support community service and to encourage teams to volunteer together. Every employee is eligible to be paid for time spent participating in company- or team-sponsored volunteer service projects. Full-time employees are eligible for up to eight hours per calendar year.

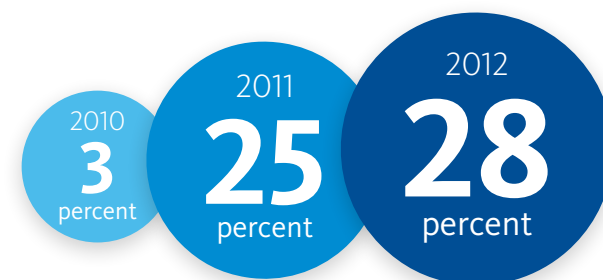
Expanding our networks

As our corporate responsibility efforts and community programs have grown, we've focused on learning and pursuing best practices with others, seeking out partnerships, insight and connections.

To that end, we have developed a number of partnerships by becoming members of—and making charitable contributions to—these organizations: Points of Light Foundation, Corporate Volunteer Council, Clinton Global Initiative (CGI), Boston College Center for Corporate Citizenship, Donors Forum, and Philanthropy Northwest.

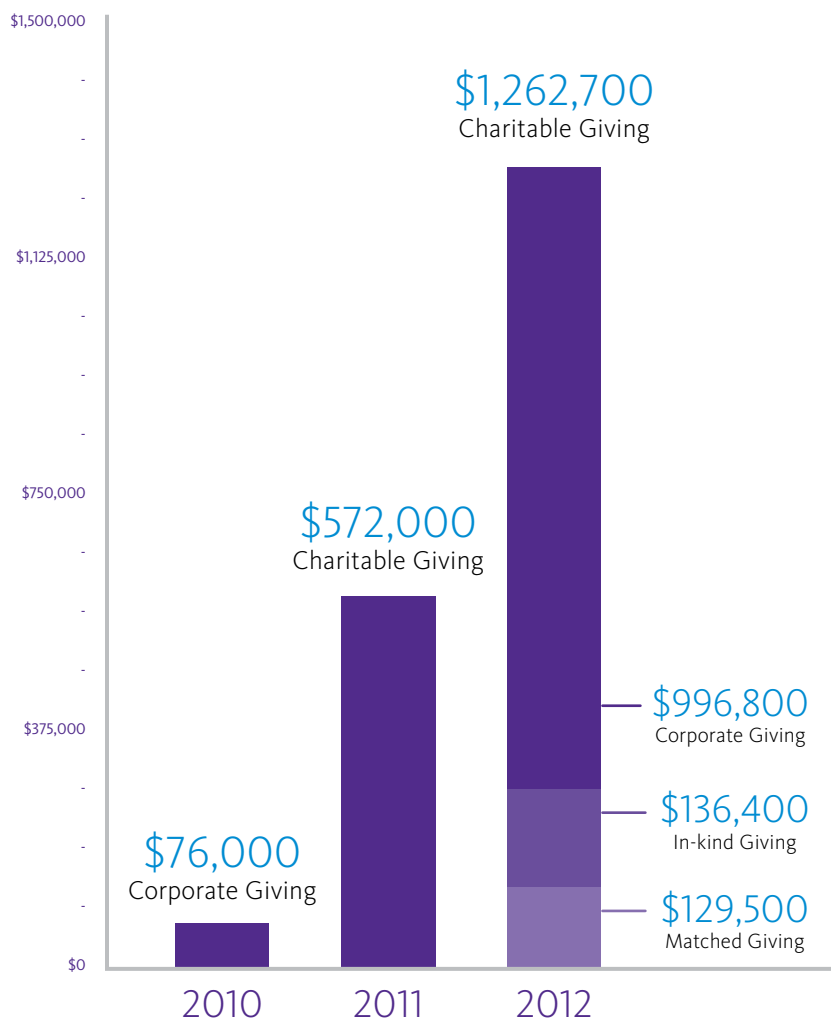


Percentage of Outerwall employees who volunteered through work:





2010-2012 GIVING RESULTS



Charitable giving more than doubled in 2012

Last year, we gave ourselves an ambitious goal of doubling our charitable giving. We are proud that we accomplished that goal, donating \$1,262,700 in cash and in-kind giving.

We aim to expand our commitment by donating 1% of the previous year's after-tax profits. This is expected to increase our total charitable giving by 15% in 2013.

Improving our popular in-kind giving program

Our in-kind giving supports the charitable fundraising of a number of our stakeholders—from schools to nonprofits, from consumers to employees—reaching communities and organizations as geographically dispersed as our kiosks.

In 2012, we donated more than 9,900 DVDs and 35,000 promotional codes for free DVD rentals to nonprofit organizations through this program. We also implemented a new process that increased our capacity to respond to and fulfill requests.

Matching the generosity of our employees

Through our matched giving program, employees can request matching grants to nonprofits that they support financially. Last year we increased our matching limit to \$5,000. Employees can also request a donation for volunteering during their personal time. This program matches every 10 hours of community service performed by Outerwall employees with a \$150 donation to the same organization, up to 40 hours and \$600 per year per employee.



< more employees used the company matched giving program in 2012 than in 2011



How we support our communities

We support many of the neighborhoods where our kiosks are located and where our employees live and work by focusing on four areas of giving.

Local education and human service organizations providing opportunities for a better everyday. Our leaders serve on the boards of many of these organizations.

We made a \$30,000 grant to Childhaven in Seattle, Washington where our current CEO is on the board. Part of this grant supported quarterly service project opportunities for employees to get involved with Childhaven's therapeutic preschool, which is a national model in the treatment and prevention of child abuse and neglect.

Organizations and initiatives fostering inventiveness and entrepreneurship.

We've made philanthropic investments in innovative nonprofit partners such as Chicago Innovation Awards, Student RND and SVP – Social Innovation Fast Pitch.

Supporting the diversity of the communities where we live and work.

In 2012, we supported nonprofits that encourage talent from diverse communities, including AtWork!, which connects people with disabilities and employers; Boys and Girls Clubs of Chicago, which supports children and youth; and Year Up, an organization that empowers urban talent to reach their potential.

Encouraging volunteerism and community involvement across the company.

We not only provide employees paid time off to volunteer as a team; we also make grants to the organizations where our employees serve. Each fall we encourage our field employees to serve at organizations in their communities through the Fall Field Challenge. This year more than 240 employees participated in the challenge and earned over \$30,400 in grants for their communities.





Outside the Box: Our first social impact initiative

Through our Redbox movie and video game rental kiosks, we see the power of entertainment everyday—and how it makes the world a better place. That's why we believe entertainment should be convenient, affordable, personal and available to everyone.

In 2012, we backed up this belief with a grant to OCLC, a worldwide library cooperative, to pilot a new community initiative called Outside the Box. Redbox's first signature cause program, Outside the Box empowers communities across the country to design public spaces to hold unique entertainment experiences that bring people together in new ways.

The program piloted in five geographically diverse communities in 2013. Neighborhood leaders engaged local community members to produce entertainment experiences that are free, fun and open to all.

Along with our partners, we've provided each community with a range of support and resources—from movies and games to outdoor screens and seating—to make their public events meaningful and impactful for participating communities.

After all, when neighbors connect, public places become destinations, communities get stronger and lives gain meaning.



Season of Sharing:

Brightening the holidays for U.S. troops and Chicago-area youth

In the giving spirit of the holiday season, we make it a point to share with groups who might not otherwise enjoy holidays that are merry and bright. In 2012, we focused our Season of Sharing efforts on building our relationship with the Boys and Girls Club of Chicago and supporting members of the military.

Supporting the Boys and Girls Club of Chicago

Redbox employees in Oakbrook Terrace hosted a festive day of fun and games for 92 youth from the south Chicago neighborhood of Little Village. In preparation for the event, employees gathered and wrapped thousands of gifts. Employees also volunteered to show the children the Redbox office, which included a visit to our new venture photo-booth Star Studio, a gingerbread relay race and holiday decorating. Each club member went home with a wrapped present that included gloves, books and art supplies—along with a huge holiday smile.



“ Movies offer a special connection to home, especially around the holiday season. Sending movies to the troops is just one way Redbox is sharing our gratitude for their service. ”

-Anne Saunders, President, Redbox



Supporting U.S. Military

Employees in Bellevue and Pasco, Washington, donated gifts, wrote hundreds of letters of gratitude, made survival bracelets and created more than 500 care packages for U.S. troops. Operation Gratitude shipped everything to individual U.S. service members.

In addition, Redbox provided the USO with some 6,000 DVDs as part of its Christmas Convoy, which delivered gifts to remote combat outposts in Afghanistan. Through a partnership with Packages from Home and with help from the USO, Redbox is donating more than 10,000 additional DVDs through 2013. We also donated \$45,000 in gifts to Operation Gratitude, Packages From Home, Team Rubicon and the USO to support deployed and returned soldiers.



Reducing our impact for a better tomorrow

We aim to create a better future, not just for consumers, but also for our planet. At Outerwall, we're focused on minimizing the environmental impact of our operations, our kiosks and our products.



Capturing efficiency and reducing greenhouse gas emissions

Our goal is to reduce our operational greenhouse gas emissions by 5% by 2012 and 15% by 2015, normalized by the number of kiosks and compared to a 2010 baseline. Because the majority of our greenhouse gas emissions relate to servicing our kiosks, our goal is relative to the number of kiosks we have deployed.

In 2012, our total operational greenhouse emissions (also known as our carbon footprint) grew by nearly 8%. But when we measure the emissions relative to the number of kiosks we have deployed, we have exceeded our goal with a 20% reduction in 2012, compared to 2010.



Greenhouse gas emissions

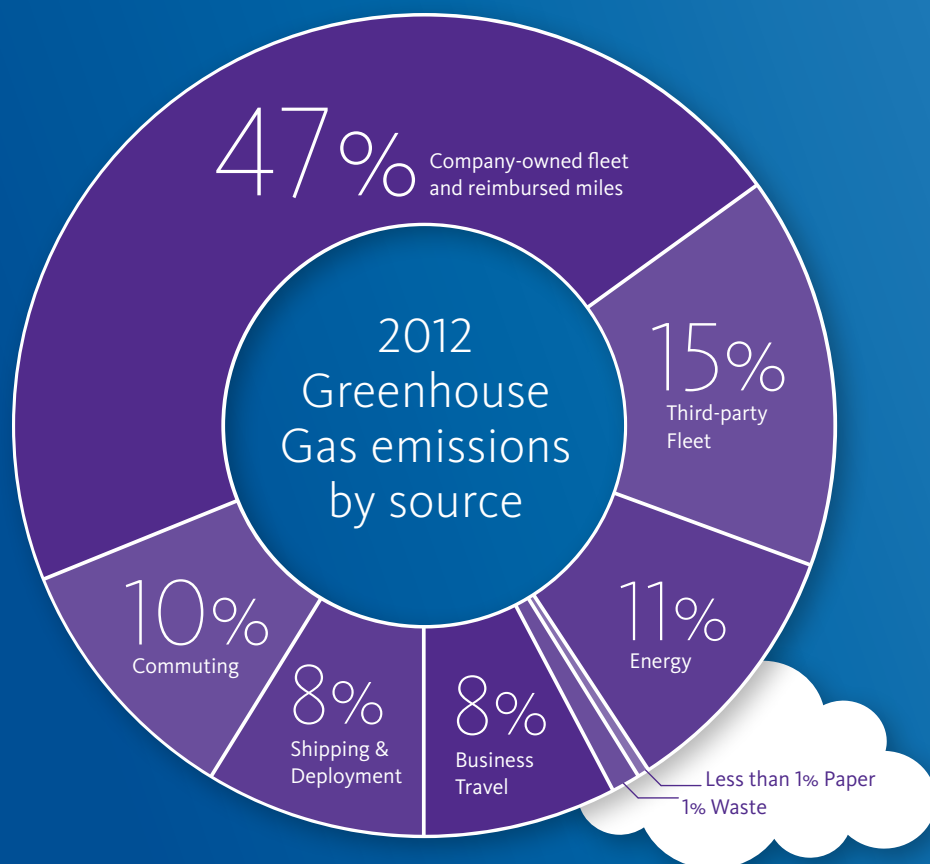
* Metric Tons CO₂e



Greenhouse gas emissions, normalized by kiosks deployed

* Metric Tons CO₂e per kiosk





Working to shrink our carbon footprint

Nearly two-thirds of our carbon footprint continues to be transportation used to service our kiosks. That includes our company owned and operated vehicle fleets, employee vehicles used for business driving and third parties who service our kiosks.

In 2012, our company fleet drove more than 27 million miles. Our Coinstar line of business continues to expand its use of the Toyota Prius, which now comprises 64% of the passenger cars in its fleet.

Never reluctant to explore new ideas, we tested a hybrid truck in place of a traditional diesel model in one market during 2012 with a goal of reducing fuel consumption. While we had hoped that the fuel saved would offset the added lease costs for this vehicle, the results to date have not produced the anticipated savings. However, we learned a great deal and will continue to focus on ways technology can help us reduce our carbon emissions in the future.

Direct energy use

	2010	2011	2012
Gasoline	316,948	330,406	331,594
Natural Gas	2,830	3,450	3,740
Propane	33	43	35

* Measured in Gigajoules

Indirect energy use

	2010	2011	2012
Electricity	29,545	28,595	29,426

* Measured in Gigajoules



Big Idea: More efficient Redbox routing

Keeping Redbox customers happy with the latest titles and games requires a weekly visit to each kiosk. Last year, the Redbox logistics team focused on route optimization: determining which kiosks should be visited, in what order, and the most efficient path to travel between them. At the same time, process improvements allow us to spend less time servicing each kiosk and visit more kiosks each day. The efficiency gains—which save both time and fuel—also reduce the environmental impact of our fleet.

As a result of these efforts, Redbox reduced the miles driven per kiosk by an impressive 36% compared to 2010. Another way to look at this efficiency is that while the number of kiosks serviced grew by 50% during this time, the total miles driven only increased by 10%.

The Redbox fleet department also engaged operations leadership and vendor partners to implement a plan to replace passenger fleet SUVs with sedans over time. This decision helped increase average fuel economy by 19% between 2010 and 2012.



Decreasing the impact of our kiosks

Because the energy used by our kiosks is not included in the scope of our operational greenhouse gas emissions, we also have a goal to reduce their average energy use.

Our goal is to reduce the average energy used by each kiosk by 5% by 2012 and 15% by 2015, compared to a 2010 baseline. This is a challenging goal for our Outerwall team to achieve because it includes the performance of both existing and new kiosks. Energy efficiency is a priority as we design new kiosks and improve the design of existing kiosks.

In 2012, average kiosk energy use across our combined fleet of kiosks increased by 4% compared to 2010, largely due to the growth in outdoor Redbox installations. At the same time, Redbox reduced energy use on new kiosks in 2012 by:

- Switching to LED lightboxes
- Moving to a more efficient air exchanger instead of an air conditioner
- Installing timers on some indoor lightboxes

The redesigned Redbox outdoor kiosk deployed since mid-2012 uses 20% less energy than the previous outdoor model. Additionally, Redbox is committed to installing timers on all indoor lightboxes in 2013.



Getting employees involved with environmental efforts

We continue to engage employees where they work and solicit their ideas for reducing our environmental impact. In 2012, we chose Earth Day for launching our first-ever Corporate Social Responsibility report to our employees. Each day of the week we featured environmentally-themed stories on our intranet. We concluded the week with a contest quizzing employee knowledge on facts from our CSR report and soliciting input on how we can do better. Ninety-two percent of our employees who read the report indicated they learned something new about the company.

We also involved and educated employees during our second annual Earth Week. An electronics recycling drive in our office locations collected nearly a ton of personal devices and communicated the importance of proper recycling. In our Bellevue, Washington, location, we held a service project at a nearby nature park and took employees on a tour of our nearly-zero waste refurbishing facility and recycling provider. In our Oakbrook Terrace, Illinois, location, we hosted a lunch-and-learn event focused on entrepreneurship and sustainability.



Cutting out waste

Beyond energy use, we are working to reduce waste from our product lines. In our Redbox business, we reuse DVDs throughout our network whenever possible and keep them on hand for re-releases to coincide with sequels or other events. If studios require the DVDs to be destroyed, we work with a recycler to shred the discs and recycle them into a feedstock used in the manufacture of new products. When destruction isn't required by our contracts, we minimize waste by selling used

DVDs to third parties or donating them to nonprofit organizations.

During 2011 and 2012, we also collaborated with a supplier to develop movie title displays used in our Redbox kiosks that could be recycled more easily. We conducted extensive field tests throughout the U.S. to ensure weather resistance. In the summer of 2013, we are introducing an improved recyclable paper stock for our displays, making it easier to recycle than the current stock.

Global Reporting Initiative Index

This report aligns to the Global Reporting Initiative (GRI) 3.1 Guidelines. We have self-declared as a Level C reporter. The table below indicates where the information can be found in this report or other publicly available documents.

Profile Disclosures

Indicator	Description	Location
1.1	Statement from the CEO	A Letter from our CEO, page 3
2.1	Name of the organization	Front Cover
2.2	Primary brands, products, and/or services	Who We Are, pages 6–7
2.3	Operational structure	Annual Report: Business Segments
2.4	Location of organization's headquarters	Bellevue, Washington
2.5	Countries of operation	United States, Canada, Republic of Ireland, United Kingdom and Puerto Rico
2.6	Nature of ownership and legal form	Annual Report
2.7	Markets served	Annual Report
2.8	Scale of the reporting organization	Annual Report
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Annual Report
2.10	Awards received in the reporting period	Who We Are, page 7
3.1	Reporting period	Calendar year 2012
3.2	Date of most recent previous report	May 2012 for calendar year 2011
3.3	Reporting cycle	Annual Report
3.4	Contact point for questions regarding the report or its contents	csr@outerwall.com
3.5	Process for defining report content	Outerwall's corporate responsibility team led the report development process. The team reviewed input from stakeholders on our first report as well as opportunities for increased disclosure and alignment with the GRI guidelines. Stakeholders expected to use the report include our employees, potential employees, investors, and retail customers.
3.6	Boundary of the report	The report represents Outerwall's global operations, whether at owned or leased facilities. Suppliers are included in our greenhouse gas emissions data for activities such as shipping and deployment.
3.7	State any limitations on the scope or boundary of the report	New ventures are not included in this report. Facilities occupied by Outerwall less than 10% of the reporting year and estimated to be less than 1% of total impact are not included.



Indicator	Description	Location
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	Facilities where we have operational control are included. Environmental data for leased facilities and outsourced operations such as shipping and transportation are included. Where precise data isn't available, we use industry estimates (such as energy use per square foot) to extrapolate our performance.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	We restated our 2011 employment data to ensure it only included full time employees, resulting in a decrease of 41 employees. Our greenhouse gas emissions data for 2010 and 2011 was adjusted based on more accurate data from our vendors and internal sources, resulting in decreases to the total emissions in both years.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	No significant changes from previous report.
3.12	Table identifying the location of the Standard Disclosures in the report	Global Reporting Initiative Index, pages 28–30
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Proxy Statement
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	No; see Proxy Statement : Board Leadership Structure and Role in Risk Oversight
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	See Proxy Statement . All but CEO are independent.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Proxy Statement
4.14	List of stakeholder groups engaged by the organization	Customers, employees, community organizations and retail industry groups. See our People and Community sections for further examples.
4.15	Basis for identification and selection of stakeholders with whom to engage	Our field employees, which represent approximately two-thirds of our workforce, are at the front lines of our stakeholder engagement in their communities.

Performance Indicators

Indicator	Description	Location
EC1	Direct economic value generated and distributed.	Community, page 18; Annual Report
EN3	Direct energy consumption by primary energy source.	Environment, page 24
EN4	Indirect energy consumption by primary source.	Environment, page 24
EN5	Energy saved due to conservation and efficiency improvements.	Environment, page 26
EN16	Total direct and indirect greenhouse gas emissions by weight.	Environment, page 24
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Environment, page 23
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Environment, page 24
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	People, page 11
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	People, page 12
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	People, page 13
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	People, page 15
LA15	Return to work and retention rates after parental leave, by gender.	People, page 15
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Annual Report: Legal Proceedings and Legal Matters