



WARNER BROS.

Barry M. Meyer
Chairman and
Chief Executive Officer

December 21, 2010

Mr. Andrew Slack
HP Alliance Executive Director



Dear Mr. Slack,

Thank you for your letter to Jeff Bewkes, Chairman and CEO of Time Warner, on behalf of the Harry Potter Alliance. Thanks also for sharing some background on the past efforts of your organization. We applaud your commitment to social responsibility and support of those in need.

Related to your inquiry about the sourcing of Frankford Candy's chocolate products related to our properties, I can assure you that Time Warner and Warner Bros. Entertainment take seriously the issue of ethical sourcing.

Our company is committed to ensuring equal opportunity and compliance with all applicable fair employment practices and non-discrimination laws around the world. To that end, Time Warner has established ethical sourcing guidelines, which I've attached, that clearly articulate our position and expectations on these important issues.

Warner Bros. Consumer Products (WBCP) also includes these guidelines as a contractual component of every product licensing agreement entered into with companies around the world. WBCP also contractually requires licensees to comply with laws, guidelines and regulations related to consumer product safety standards. Through WBCP, we are in continuous open dialogue with our partners to address any issues that arise and, if necessary, take corrective action immediately.

As part of Warner Bros.' overall commitment to corporate responsibility, we welcome any specific information you have that would be contrary to our current ethical sourcing activities.

Please let your membership know that Time Warner also takes this issue seriously and that we have already taken action in the form of the tangible, proactive standards we have outlined.

Again, thank you for your letter and commitment to this important issue.

Sincerely,

A handwritten signature in cursive script that reads "Barry Meyer".

Barry Meyer

BMM:mo

cc: Jeff Bewkes
Sue Fleishman
Paul McGuire

A Time Warner Company

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Time Warner Ethical Sourcing Guidelines

The Time Warner Ethical Sourcing Guidelines (“Guidelines”) reflect the commitment of Time Warner Inc. and its subsidiaries and affiliated companies (“Time Warner”) to conduct business according to standards of integrity and ethics. It is important that all of our Vendors conduct business in compliance with local laws and regulations and industry standards. For the purposes of these Guidelines, “Vendor” is synonymous with terms that may include but are not limited to supplier, factory, licensee, site, facility, contractor and sub-contractor. Major Time Warner subsidiaries include Home Box Office, Inc., Time Inc., Turner Broadcasting System Inc., and Warner Bros. Entertainment Inc.

The International Labor Organization (ILO) Core Labor Conventions, as established by the tripartite United Nations affiliated agency, have served as the foundation upon which much of these Guidelines are based.

EMPLOYMENT

1. Non-Discrimination

Time Warner expects that Vendor will not discriminate in recruitment, hiring, training and employment practices, including compensation, benefits, advancement, discipline, termination or retirement, on the basis of race, color, religion, age, national origin, sex (including pregnancy), sexual orientation, marital status, physical or mental disability or any other category protected by law that does not affect an individual’s ability to do the job.

2. Child Labor

Time Warner expects that Vendor will not employ any person under the age of 15 (or 14 where local law allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15. Workers under 18 years of age should not perform work likely to jeopardize the health or safety of young persons. All vendors should also adhere to legitimate workplace apprenticeship programs and comply with all laws and regulations governing child labor and apprenticeship programs. The employment of child actors may be subject to separate guidelines.

3. Involuntary Labor

Time Warner expects that Vendor will not use any forced or involuntary labor, whether prison, bonded, indentured or otherwise. Vendor will not require employees to relinquish any personal identification, including but not limited to passports, identification cards or work permits, as a condition of employment.

4. Coercion and Harassment

Time Warner expects that Vendor will treat each employee with dignity and respect, and will not use corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse.

5. Association

Time Warner expects that Vendor will allow freedom of association when allowed by local law, and in all cases respect the right of employees to communicate openly and directly with management and will not intimidate, harass or reprimand employees for doing so.

6. Working Hours and Compensation

Time Warner expects that Vendor will comply with all wage and hour laws as mandated by applicable country law or industry standard. Time Warner also expects that employees will not routinely work in excess of sixty hours per week and employees will be provided with a minimum of one rest day in every seven-day week.

7. Statutory Social Security and Welfare Benefits

Time Warner expects that Vendor will contribute to all statutory social security and welfare funds to which employers and/or employees are required by applicable laws to contribute, including medical insurance, industrial injury insurance, pension, housing and unemployment funds, as well as contribute to these funds on behalf of all employees in accordance with all relevant laws and regulations.

8. Employment Records

Time Warner expects that Vendor will retain one year of complete and accurate records and documentation, including employment contracts, residence and work permits (if applicable), proof of age documentation, maternity leave records, industrial injury reports, and work time and pay records, relating to employees in manufacturing and operations positions necessary to demonstrate compliance with these Guidelines other than information and records that applicable law requires Vendor to retain for a shorter period of time.

HEALTH & SAFETY AND ENVIRONMENT

9. Health and Safety

Time Warner expects that Vendor will provide employees with a safe and healthy workplace in compliance with all applicable laws and regulations, ensuring at a minimum, occupational safety, machine guarding, emergency preparedness, industrial hygiene, reasonable access to potable water and sanitary facilities, fire safety, and adequate lighting and ventilation. Any Vendor that is a manufacturer will also ensure that the same standards of health and safety are applied in any housing or canteen facilities that it provides for employees.

10. Environment

Time Warner expects that Vendor will comply with all applicable environmental laws and regulations and ensure that all required environmental permits and registrations are obtained, maintained and kept current and that operational and reporting requirements are followed.

INTELLECTUAL PROPERTY & ETHICS

11. Anti-Piracy

Time Warner expects that Vendor will respect all intellectual property rights and will not copy or allow third party access to any Time Warner content without authorization, including but not limited to any form of film, video or digital elements containing audio/visual content, except as necessary to perform obligations under Vendor's agreement with Time Warner.

12. Business Ethics

Time Warner expects Vendors to implement effective ethics and compliance programs. For a sample policy, see the Time Warner Inc. Corporate Standards of Business Conduct at www.timewarner.com/corp/corp_governance/governance_conduct.html.

IMPLEMENTATION AND COMPLIANCE

These Guidelines highlight Time Warner's expectations of the manner in which its Vendors will conduct themselves in their business relationships with Time Warner. Time Warner recognizes that achieving the standards established in these Guidelines will be a dynamic rather than a static process and encourages Vendors continually to improve their workplace conditions.

Time Warner expects that its Vendors will establish and maintain appropriate management systems, the scope of which is consistent with the content of these Guidelines, and actively review, monitor and modify their management processes and business operations to ensure that their operations align with the principles set forth in these Guidelines. Time Warner expects that Vendor will work with its own suppliers and subcontractors to ensure that they also strive to meet the principles of these Guidelines or an equivalent set of principles.

It is entirely within Time Warner's discretion whether to continue to use a vendor, subject to contractual obligations. Time Warner reserves the right to take such actions as it deems appropriate, in its discretion, to monitor and promote compliance with these Guidelines. The failure to consistently meet these standards may impact the future ability to do business with Time Warner.