

Lobbying Expenditures Disclosure - Climate 2019 – Disney (Walt) Company / ABC

WHEREAS, we believe in full disclosure of Disney’s direct and indirect lobbying activities and expenditures to assess whether Disney’s lobbying is consistent with Disney’s expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Walt Disney (“Disney”) request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Disney used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Disney’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s decision making process and the Board’s oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a “grassroots lobbying communication” is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. “Indirect lobbying” is lobbying engaged in by a trade association or other organization of which Disney is a member.

Both “direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state and federal levels.

The report shall be presented to the Governance and Nominating Committee and posted on Disney’s website.

Supporting Statement: We encourage transparency and accountability in the use of corporate funds to influence legislation and regulation. Disney spent \$30,235,000 from 2010 - 2017 on federal lobbying. This figure does not include state lobbying expenditures, where Disney also lobbies but disclosure is uneven or absent. A study found Disney spent \$3,330,584 lobbying in six states from 2012 - 2015 (“How Leading U.S. Corporations Govern and Spend on State Lobbying,” Sustainable Investments Institute, February 2017), and Disney’s state lobbying on sick leave has attracted scrutiny (“Forced to Work Sick? That’s Fine with Disney, Red Lobster, and Their Friends at ALEC,” Mother Jones, June 27, 2013).

Disney serves on the board of NCTA - The Internet & Television Association, which spent \$132 million on lobbying from 2010 – 2017, and reportedly belongs to the Chamber of Commerce (“Is the Most Powerful Lobbyist in Washington Losing Its Grip?” Washington Post, July 14, 2017), which spent over \$1.4 billion on lobbying since 1998. Disney does not disclose memberships in, or payments to, trade associations, or the amounts used for lobbying. Disney will disclose trade association payments used for political contributions, but this does not cover payments used for lobbying. This leaves a serious disclosure gap, as trade associations generally spend far more on lobbying than on political contributions. We are concerned that Disney’s lack of trade association disclosure presents reputational risk. For example, Disney takes steps to fight climate change, yet the Chamber undermined the Paris climate accord (“Paris Pullout Pits Chamber against Some of Its Biggest Members,” Bloomberg, June 9, 2017).