

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. Description of management’s decision-making process and the Board’s oversight for making payments described 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 in Disney’s use of funds to lobby. Disney spent \$38,675,000 from 2010 – 2019 on federal lobbying. This does not include state lobbying expenditures, where Disney’s disclosure is uneven or absent. For example, Disney spent \$3,646,885 on lobbying in California from 2010 – 2019, and Disney’s lobbying in Florida over streaming service taxes has drawn attention.¹ And Disney also lobbies abroad, spending between €700,000 – 799,000 on lobbying in Europe for 2019.

Disney serves on the board of the National Association of Broadcasters (NAB), which spent \$151 million on lobbying from 2010 – 2019, and belongs to the Chamber of Commerce, which has spent over \$1.6 billion on lobbying since 1998. We commend Disney for now disclosing information about its trade associations, but shareholders are still unclear on how much each association receives in payments and spends on lobbying. For example, shareholders only know NAB received payments greater than \$500,000 all of which was used for lobbying in 2018. And Disney’s new disclosure leaves out social welfare organizations, which also lobby.

We are concerned that Disney’s lack of disclosure presents reputational risk when it contradicts company public positions. For example, Disney showed real leadership supporting the Paris climate agreement, yet the Chamber opposed it. Groups are calling on Chamber members like Disney to change the Chamber’s position against science-based climate legislation.² And Disney uses the Global Reporting Initiative (GRI) for sustainability reporting, yet currently fails to report “any differences between its lobbying positions and any stated policies, goals, or other public positions” under GRI Standard 415.

We urge Disney to expand its lobbying disclosure.

¹ <https://www.orlandosentinel.com/news/os-ne-disney-lobbying-disney-plus-tax-20200129-rczblax5jif65ig43uatnzzqy-story.html>

² <https://medium.com/@bill.weihl/its-time-to-change-the-chamber-of-commerce-s-climate-obstruction-cd704ed7685c>