

Whereas, we believe in full disclosure of Disney’s lobbying activities and expenditures to assess whether Disney’s lobbying is consistent with Disney’s expressed goals and in shareholder interests.

Resolved, the shareholders of 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

Disney spent \$42,965,000 from 2010 – 2020 on federal lobbying. This does not include state lobbying expenditures, where Disney also lobbies but disclosure is uneven or absent. For example, Disney spent \$4,021,464 on lobbying in California from 2010 – 2020, and Disney’s lobbying in Florida has been described as “the 800-pound mouse.”¹ And Disney also lobbies abroad, spending between €800,000 – 899,999 on lobbying in Europe for 2020.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity, and these groups may be spending “at least double what’s publicly reported.”² Disney belongs to the Business Roundtable and Chamber of Commerce, which together have spent over \$2 billion on federal lobbying since 1998, and the

¹ <https://www.politico.com/magazine/story/2015/06/what-works-orlando-disney-politics-119167>.

² <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

RATE Coalition, a social welfare organization. Disney's memberships have drawn attention as these groups launched a "massive lobbying blitz" against raising corporate taxes.³

Disney's disclosure is incomplete for trade associations, failing to disclose a top limit for its payments, and omitting social welfare organizations. Shareholders cannot tell the magnitude of Disney's trade association payments over \$500,000. And Disney fails to disclose its payments to the RATE Coalition and other social welfare organizations that lobby.

We are concerned that Disney's lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, Disney signed a statement opposing state voter restrictions, yet the Chamber lobbied against the For the People Act.⁴ Disney supported the Paris climate agreement, yet the Chamber opposed it. And while Disney has drawn negative attention for avoiding federal income taxes,⁵ its trade associations are lobbying against raising corporate taxes to fund health care, education and safety net programs.

³ <https://www.washingtonpost.com/us-policy/2021/08/31/business-lobbying-democrats-reconciliation/>.

⁴ <https://thehill.com/business-a-lobbying/business-a-lobbying/554430-watchdog-group-launches-campaign-to-pressure?rl=1>.

⁵ <https://prospect.org/economy/corporate-tax-dodging-wont-go-away-until-we-fix-our-tax-code/>.