

Investment Stewardship Group

Voting bulletin: The Walt Disney Company

As part of our fiduciary duty, BlackRock's Investment Stewardship team (BIS) advocates for sound corporate governance and business practices that are aligned with long-term sustainable financial performance. This objective underpins all our engagements and votes at company meetings.

We engage company leadership on key topics emphasizing governance practices including management of environmental, social, and governance factors that potentially have material economic, operational or reputational ramifications for the company. The BIS team's key engagement priorities include:

1. Board quality
2. Environmental risks and opportunities
3. Corporate strategy and capital allocation
4. Compensation that promotes long-termism
5. Human capital management

We are committed to enhancing the transparency of our stewardship practices. Where we believe it will help to understand our voting decisions at shareholder meetings, we will publish a Voting Bulletin explaining the rationale for how we have voted, and (where relevant) provide information around our engagement with the issuer.

These Voting Bulletins are made public on, or shortly after, the day of the meeting.

Company	The Walt Disney Company
Meeting Date	11 th March 2020
Resolutions	Multiple
Board Recommendation	In favor
BlackRock Vote	BIS voted in favor of all management proposals and against a shareholder proposal seeking disclosure on political lobbying

Overview

The Walt Disney Company, together with its subsidiaries, is a diversified worldwide entertainment company with operations in four business segments: Media Networks; Parks, Experiences and Products; Studio Entertainment; and Direct-to-Consumer & International (DTCI). Significant operations include Disney, ESPN, Freeform, FX and National Geographic branded domestic cable networks; ABC branded broadcast television network and eight owned domestic television stations; television production and distribution; National Geographic magazines and a 50% equity investment in A+E Television Networks (A+E).

BIS regularly reviews The Walt Disney Company's governance structure and risk profile. In prior engagements with the company's board and management, we have discussed a range of material issues driving long-term shareholder value, including executive compensation, political spending and lobbying.

Engagement Background

BlackRock engaged with The Walt Disney Company regarding its executive compensation plan, political spending and lobbying disclosure. The Board was responsive to shareholder feedback on both matters.

As noted in the "Fiscal 2019 Shareholder Engagement" section of the company's 2020 proxy statement, "In light of investor feedback, the Compensation Committee discussed with Mr. [Bob] Iger, and he agreed to, adjustments in Mr. Iger's contractual compensation on three separate occasions." The Compensation Committee reduced CEO Mr. Iger's annual compensation and refined the related performance criteria, increasing the rigor of the measures and improving alignment with shareholder interests. We will continue to assess executive compensation at The Walt Disney Company, particularly in light of recent management changes.

With respect to political spending and lobbying disclosure, after the 2018 Annual Meeting, The Walt Disney Company Board decided to expand its lobbying disclosure following extensive shareholder engagement, and published a policy on Political Giving and Participation in the Formulation of Public Policy in the United States. This policy disclosure was provided in addition to the company's Political Disclosure Archive, which currently includes a Contributions Report and PAC Contributions Report by year starting with 2014 through January 2019. The U.S. Trade Associations Report is also included starting with 2018.

Rationale for the BlackRock Vote

The agenda items for the Annual Meeting, and upon which BlackRock voted, were:

1. Election of Directors
2. Ratification of the appointment of auditors
3. Consideration of an advisory vote to approve executive compensation
4. Approval of an amendment to the Company's Amended and Restated 2011 Stock Incentive Plan
5. Consideration of a shareholder proposal requesting an annual report on lobbying

BlackRock supported management on all proposals.

Where companies are making progress on key corporate governance issues, BlackRock will generally support the board and management in those efforts. BlackRock determined that The Walt Disney Company's current level of disclosure, following the changes discussed above, is in line with the best practices detailed in BIS' commentaries on executive compensation and on corporate political activities.