

SANFORD J. LEWIS, ATTORNEY

January 6, 2021
Via electronic mail

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Shareholder Proposal to Disney Inc. Regarding Advertising Policies and Social Media on Behalf of Myra Young

To Whom It Concerns:

Myra K. Young (the “Proponent”) is beneficial owner of common stock of Disney Inc. (the “Company”) and has submitted a shareholder proposal (the “Proposal”) to the Company. I have been asked by the Proponent to respond to the letter dated October 31, 2020 (“Company Letter”) sent to the Securities and Exchange Commission by Lillian Brown of Wilmer Hale. In that letter, the Company contends that the Proposal may be excluded from the Company’s 2021 proxy statement.

I have reviewed the Proposal, as well as the letter sent by the Company, and based upon the foregoing, as well as the relevant rules, it is my opinion that the Proposal must be included in the Company’s 2021 proxy materials and that it is not excludable under Rule 14a-8. A copy of this letter is being emailed concurrently to Lillian Brown of Wilmer Hale.

Summary

The Proposal requests that the Board of Directors commission an independent third-party report assessing how and whether Disney ensures the Company’s advertising policies are not contributing to violations of civil or human rights. Among other things, such report should consider whether advertising policies contribute to the spread of hate speech, disinformation, white supremacist recruitment efforts, or voter suppression efforts, and whether the policies undermine efforts to defend civil and human rights such as through the demonetization of content that seeks to advance and promote such rights. The full proposal is attached as Exhibit 1.

The Proposal does not attempt to control the content of advertising, but only to ensure that the Company has policies in place to defend the Company’s reputation against support for and affiliation with hate speech, discrimination and disinformation in social media. These social media problems have become a significant policy issue, and the Company’s nexus as a major advertiser in those platforms is clear.

The Proposal is not excludable as vague or misleading. The Company Letter cites only minor

issues - an article partially behind a pay-wall, and problematic URL link on the Disney website. The URL link is easily corrected; the article behind the pay-wall does not demonstrate that the Proposal contains a misleading presentation of facts.

ANALYSIS

1. The Proposal is not excludable under Rule 14a-8(i)(7). The Company's policies regarding placement of advertising on social media platforms transcend ordinary business concerns due to the potential threat of these practices to Disney's overall business.

The subject matter of the Proposal is an investor effort to guide the Company to protect its reputation by ensuring that its advertising policies are not leading to the spread of hate speech and misinformation online. While the content of advertising is historically a matter of ordinary business, shareholders are concerned that the placement of advertising on social media platforms promoting hate speech, discrimination and disinformation go beyond ordinary business due to the threat of these implications to the Company's overall business.

Notably, the focus of the Proposal does not concern the content of the Company's advertisements, but the impact of advertising placement policies on the Company's reputation as a whole.

The evidence outlined below describes the academic and industry research, news commentary, and public attention surrounding the concerns with social media advertising, which, taken as a whole, suggest both that the impact of social media advertising on the proliferation of hate speech and misinformation online is a significant public policy concern and that this concern has risen to a significant level of reputational risk for Disney and other major social media advertisers.

Not all advertising related proposals are excludable as ordinary business

When the nexus to a very significant policy issue, including reputational risk, is as clear as it is in the present case, Staff decisions demonstrate that the balance of considerations, even in a proposal that touches on advertising tips in favor of non-exclusion. The proliferation of racism, hate speech and disinformation by social media platforms is one of the major problems and controversies of our time, and the affiliation of Disney potentially supporting such platforms with its advertising rises to such a level. In staff decisions, a major controversy on a significant policy focus attaching to the company has overridden the general prohibition on advertising-related proposals.

For instance, content and information in advertising of products or services is generally an excludable topic, but practices of advertising by realtor RE/MAX of properties in Israeli settlements that are highly controversial because of their impact on Palestinian populations and their shaky legal status, was found to be a non-excludable topic. *RE/MAX Holdings Inc.* (March 14, 2016).

Tobacco companies' marketing to vulnerable populations has also been a clear example of an

exception to the advertising exclusion. Proposals regarding advertising of tobacco products to young people, *RJR Nabisco Holding Corp.* (February 22, 1999), communications regarding health risks of menthol cigarettes to African-American populations that were disproportionate consumers of the products, *Loews Corporation* (February 9, 2006), and on the marketing and sale of cigarettes to African-American and low income communities, *Lorillard Inc.* (March 3, 2014) were each found non-excludable despite ordinary business claims, because of the concrete links to significant policy concerns of discrimination and disparate impact.

In the present instance, the potential association of the Disney brand with hate speech, discrimination and disinformation represents a potential reputational crisis for the Company. From investors' perspective, advertising practices transcend ordinary business when those practices may threaten a company's reputation and business.¹

In its request for no-action by the SEC Staff, the company wrote "By requesting a report on the assessment of 'how and whether Disney ensures the company's advertising policies are not contributing to violations of civil or human rights,' the Proposal reflects the Proponent's attempt to impose on the company the Proponent's own views on advertising strategy and standards." This statement is inaccurate. The Proponents of the Proposal have not anywhere expressed "views" on "advertising strategy" or standards. In fact, the Proposal cites as a possible benchmark for acceptable standards those that have been previously published by Disney regarding third-party advertising on the company's own web sites. The Proposal elevates to company and shareholder attention the issue of advertising on social media in light of concerns about the reputational risk posed by a climate of growing public attention surrounding the issue of hate speech, discrimination and misinformation online, and the role of advertisers.

In seeking a report, the Proponents seek more information about the *existing and/or potential* strategies and standards Disney may be using or may use in the future to address these business risks. That is, the Proponents seek to understand and potentially further bolster the company's existing efforts to address such business risks. The underlying subject matter of the report is the extent to which Disney is protecting its global brand from association with these very prominent, significant policy concerns regarding social media.

¹ For example, in its request for no-action by the SEC Staff, Disney cites a Staff decision excluding a 2014 proposal at FedEx Corp. (concurring in exclusion of a proposal relating to the company's sponsorship of the Washington, D.C. NFL franchise team given controversy over the team's name because the proposal "relate[d] to the manner in which FedEx advertise[d] its products and services"). It is notable that investors continued to have concern over this FedEx relationship, and in 2020, pressure by FedEx shareholders reportedly prompted the company to finally take steps that forced a name change by the football team. As reported by NPR (<https://www.npr.org/sections/live-updates-protests-for-racial-justice/2020/07/02/886984796/washington-nfl-teams-sponsor-fedex-formally-asks-for-team-name-change>):

"FedEx, the title sponsor of the Washington Redskins' stadium, is asking the team to change its name following a report that investors are lobbying for the company to cut ties with the National Football League team.

FedEx, which paid \$205 million in 1999 for the naming rights to the team's stadium in Landover, Md., said in a statement on Thursday that it had 'communicated to the team in Washington our request that they change the team name.'

The request follows a report in AdWeek on Wednesday that letters signed by 87 investment firms and shareholders worth \$620 billion had asked FedEx, Nike and PepsiCo to cut business ties with the team unless it agrees to the name change."

Growing and widespread public discussion — among academics, corporate executives, legislators, advocates and the press — about the role of advertisers in fueling civil or human rights violations online demonstrate that the thrust of the proposal is a significant social policy issue.

In 2020, national civil rights groups organized a #StopHateforProfit campaign² asking major advertisers to boycott Facebook in order to pressure the social media giant to improve conditions online for BIPOC (Black, Indigenous and People of Color) social media users, LGBTQ+ users, and other historically marginalized groups. The advertiser boycott campaign garnered widespread media coverage and the participation of over 1,000 boycotting businesses, including major companies such as Unilever, Verizon, Adidas, Ford, Williams Sonoma, and Patagonia. The campaign was covered by major television news outlets such as MSNBC, Bloomberg TV, CNN, NBC News, and more, and by print/digital outlets including USA Today, Associated Press, Fox News, The New York Times, CNBC, The Wall Street Journal, and more. The boycott was also discussed by Facebook’s global advertising executive in her speech at the Association of National Advertisers’ “Masters of Marketing” conference in October 2020³, where the Facebook executive noted that she was “thankful” for the role that advertisers played in pushing the company to do better, saying: “We’re doing everything that we possibly can to protect the democratic process in this country.” The swift and tremendous response by over 1,000 advertisers to the advertiser boycott, the significant public attention to these actions, and corporate advertising executives’ statements such as this one by Facebook’s executive, all demonstrate that social media advertising is perceived to be playing a role in the “democratic process.”

Advertiser associations and industry trade bodies have also affirmed the social importance of social media advertising practices for a number of years now. In addition to the recent advertiser boycott, the Conscious Advertising Network, a coalition of 70 organizations working “to ensure that industry ethics catches up with the technology of modern advertising” released a manifesto on Hate Speech⁴, stating their formal position that: “Advertising funds hate speech inadvertently. We advocate action by advertisers to make hate unprofitable.” In 2018, ISBA, a trade body representing over 3,000 U.K. brands that works to “champion an advertising environment that is transparent, responsible and accountable”, released a guide for advertisers titled, *Challenging hate speech on social media platforms*.⁵

The critical role that advertisers play in the social media landscape has attracted attention in the U.S. Congress. In a June 2020 Congressional hearing⁶, Facebook CEO Mark Zuckerberg was asked if the company is so big that it doesn't care about an ad boycott. “Of course we care, but we're also not going to set our content policies because of advertisers,” Zuckerberg said.

² <https://www.stophateforprofit.org/>

³ <https://www.cnn.com/2020/10/22/facebooks-ad-chief-talks-ad-boycotts-.html>

⁴ https://www.consciousadnetwork.org/manifestos/hate_speech.pdf

⁵ <https://www.isba.org.uk/media/1589/challenging-hate-speech-guidance.pdf>

⁶ <https://www.cnet.com/news/facebook-ad-boycott-how-big-businesses-hit-pause-on-hate/>

Lawmakers have weighed in on the specific role of advertisers in addressing online hate speech and misinformation as a major public policy issue. In June 2020, House Speaker Nancy Pelosi urged social media advertisers to use their “tremendous leverage” to pressure social media platforms to address the spread of disinformation online, saying: “Advertisers are in a position, they have power to discourage platforms from amplifying dangerous and even life-threatening disinformation. Some major advertisers and some not so major have begun to express objections to platform policies that promote voter fraud and violence ... We need to empower advertisers to continue to object and to use their power to hold social media companies accountable for their bad behavior. This is an undermining of democracy. It is a challenge to people’s health. It is just wrong.”⁷

The role of advertisers in facilitating the spread of hate speech, misinformation and disinformation online has also been widely discussed in academic and policy research.

For example, a 2018 policy paper, *#DIGITALDECEIT The Technologies Behind Precision Propaganda on the Internet*, by Harvard Kennedy School, New America, and Public Interest Technology discusses the role of advertisers at the center of this significant issue threatening democracy: “The problem is that when disinformation operators leverage this system for precision propaganda, the harm to the public interest, the political culture, and the integrity of democracy is substantial and distinct from any other type of advertiser. Our thesis is that we must study the entire marketplace of digital advertising and disentangle the economic alignment of interests in order to find the best ways to constrain bad actors and minimize harm to the public.”⁸

A September 2020 policy brief for European audiences authored by members of the Conscious Advertising Network and Mozilla argues that “digital advertising – the business model that underpins most of the internet as we know it today – fails to support or sustain healthy digital spaces that are fit for purpose for the majority of people. The nature of contemporary digital advertising and its practices are at the core of some of the most pressing challenges facing societies today, from widespread and routine invasions of consumer protection and fundamental rights, to the funding of hate and misinformation.”⁹ The authors “urge regulators to act fast”, indicating that the issue of social media advertising practices fueling unhealthy digital spaces is also a potential regulatory risk for advertisers like Disney.

A January 2020 report by Avaaz exploring the spread of climate misinformation on social media platforms states: “advertisers must both ensure that they follow through on their own corporate social responsibility commitments and track what kind of content their advertising revenue is inadvertently funding - and work with YouTube to be more transparent and socially responsible when it comes to where the platform places their brand names. Advertisers must establish detailed ethical ad placement requirements for platforms that include correcting the record and detoxing the algorithm. Avaaz commends the brands who have already begun this critical

⁷ <https://www.cnn.com/2020/06/16/pelosi-says-advertisers-should-push-platforms-to-combat-disinformation.html>

⁸ <https://www.newamerica.org/pit/policy-papers/digitaldeceit/>

⁹ https://789468a2-16c4-4e12-9cd3-063113f8ed96.filesusr.com/ugd/435e8c_fbf809d789cf466fab9a0013b01d3dff.pdf

work.”¹⁰ Avaaz’s report also demonstrates that not only do advertisers play a key role in addressing this public policy issue, they have also been effective in doing so, noting that “companies have pulled their ads from YouTube after realizing that they were being shown on videos where inappropriate comments were being made about children. This led to expedited policy and enforcement changes at YouTube.”

The body of research about this topic has included an examination of how online advertising impacts the journalism industry, a key part of democracy. A 2019 paper by University of Massachusetts Amherst scholars explored how “the programmatic advertising industry understands ‘fake news,’ how it conceptualizes and grapples with the use of its tools by hoax publishers to generate revenue, and how its approach to the issue may ultimately contribute to reshaping the financial underpinnings of the digital journalism industry that depends on the same economic infrastructure.”¹¹

A growing body of research on the impact of advertising practices, as well as calls-to-action to advertisers — made not only by civil rights groups, but also by other companies — demonstrates how the impact of advertisers’ practices on the public, including as it relates to issues of public health and safety, is a topic of interest for advertisers, media groups, and the press.

Multiple studies have explored how a company’s advertising practices, and proximity to potentially hateful material online, impact business. As discussed in the Proposal, one study by the Trustworthy Accountability Group and the Brand Safety Institute found that 80% of Americans would reduce or stop buying a product if advertised next to extreme or dangerous content online, noting that advertising next to hate speech is “the real and measurable risk to a company’s bottom line from a preventable brand safety crisis.”¹² 73% of users agreed that advertisers’ placing ads next to hate speech was most damaging for brand reputation. 70% of users believed that advertisers should be responsible for ensuring ads do not run beside harmful content. Responding to these findings, the chief executive of the research group stated: “While reputational harm can be hard to measure, consumers said that they plan to vote with their wallets if brands fail to take the necessary steps to protect their supply chain from risks such as hate speech, malware, and piracy.” This is one among many studies demonstrating the extent to which online advertising placement is a significant concern to an advertiser’s business overall due to its influence on a brand’s reputation.

A 2018 global Brand Safety Survey by AdColony found that a “majority of users also said that they encounter hateful, inappropriate, or offensive content primarily on social media, especially Facebook (60%!)”, that “ads from ‘fake news’ outlets were also most commonly found on social media”, and concluded that “Hateful, inappropriate, or offensive content placed next to, above, or below an ad is not only more likely to negatively impact how users view the outlet (social or a gaming app), but also their perceptions of the advertiser.”¹³

¹⁰ https://secure.avaaz.org/campaign/en/youtube_climate_misinformation/

¹¹ https://scholarworks.umass.edu/cgi/viewcontent.cgi?article=1000&context=journalism_faculty_pubs

¹² <https://www.thedrum.com/news/2019/08/13/80-people-would-avoid-buying-brands-featured-next-extreme-or-dangerous-content>

¹³ <https://www.adcolony.com/blog/2018/07/25/the-importance-of-brand-safety/>

Omnicom Media Group research produced similar results, finding that 70% of millennials and Gen Xers “will not like, recommend, or purchase from a brand whose ads appear next to offensive, hateful, or derogatory content” and that 51% said they are less likely to purchase from the brand, even if the harmful ad placement was not the brand’s fault.¹⁴

Another study by Chief Marketing Officer Council, covered by MarketingWeek¹⁵, found that social media platforms were the least trusted media channel for delivering advertisements to consumers, with 60% of consumers stating “that offensive content appearing on the likes of Facebook and Twitter had already caused them to ‘consume more content from trusted, well-known news sources and established media channels.’”

In July 2020, amid a global anti-racist uprising following the murder of George Floyd by Minneapolis police, a NBC News article¹⁶ reported that Vice Media Group was urging advertisers “to review ‘brand safe’ keywords, after the company recently found that ad blocklists have included such terms as ‘Black Lives Matter,’ ‘George Floyd,’ ‘protest’ and — in one case — ‘Black people.’” Vice research had found that “content related to the death of George Floyd and resulting protests was monetized at a rate 57% lower than other news content” and that topics about the coronavirus pandemic were 137% more likely to end up on advertisers’ blocklists during February - March 2020. By influencing the ability of online content and public health information to proliferate or not, online advertising practices impact business, as well as the health of a democracy.

Also in July 2020, Bloomberg reported¹⁷ that a study by the Global Disinformation Index found that “digital advertising platforms run by Google, Amazon.com Inc. and other tech companies will funnel at least \$25 million to websites spreading misinformation about Covid-19 this year”, and that the co-founder of the research group said they released the study partly “as a way to alert advertisers when their marketing spots show up on this kind of website” and that “brands can help by pulling ads from tech platforms when they see issues like this.”

In its request to the Staff to exclude the Proposal, the company states: “The business of the Company is entertainment, not hosting and/or creation of content on a social media platform. Accordingly, the Proposal is excludable as related to the Company’s ordinary business pursuant to Rule 14a-(8)(i)(7).” The evidence above shows how, as a major and highly visible advertiser, the Company’s social media advertising practices have the potential to significantly impact the Company’s reputation, and therefore the Company’s core business of entertainment.

The business decisions of Disney’s peers in the media and entertainment industry, as well as peer advertisers, affirm how advertisers’ role in stemming harmful content online is perceived by many advertisers as a major business concern and a matter of public

¹⁴ <https://venturebeat.com/2018/07/25/adcolony-brands-are-worried-about-unsafe-content-and-fake-news-on-facebook-social-media/>

¹⁵ <https://www.marketingweek.com/social-least-trusted-media-channel/>

¹⁶ <https://www.nbcnews.com/news/nbcblk/vice-urges-advertisers-stop-blocking-black-lives-matter-related-keywords-n1232103>

¹⁷ <https://www.bloomberg.com/news/articles/2020-07-08/google-amazon-funnel-over-20-million-to-virus-conspiracy-sites?sref=ZvMMMOkz>

importance.

Many of Disney's peers who are among the largest advertisers have affirmed the importance of addressing hate speech fueled by online advertising by participating in industry networks such as the newly formed GARM, Global Alliance for Responsible Media. Disney is not listed as an alliance member on GARM's website.¹⁸

As covered by CNN:¹⁹ "Some of the world's biggest advertisers have joined forces with Facebook (FB), YouTube and Twitter (TWTR) in an attempt to prevent harmful online content messing with their campaigns. Companies such as Procter & Gamble (PG), Kellogg (K), Adidas (ADDDF), Unilever (UL), and PepsiCola (PEP), are worried that their ads can pop up next to content they don't want associated with their brands, such as violent or terrorist videos and hate speech. The Global Alliance for Responsible Media, which represents 60 companies, ad agencies, industry associations and digital platforms, announced at the World Economic Forum on Thursday a series of measures it says will help keep harmful content offline and away from advertisements."

In addition to the work of GARM, public statements by peer companies during and prior to the #StopHateforProfit boycott also show that advertising practices are increasingly considered a matter of public importance due to the role of advertising in fueling online harm. For example, in June 2020, CNBC reported²⁰ that Procter & Gamble, a company that, like Disney, is a major advertiser on Facebook, stated that it was reviewing its advertising practices "to ensure that the content and commentary accurately and respectfully all people, and that we are not advertising on or near content we determine to be hateful, discriminatory, denigrating or derogatory." Similarly, Coca Cola announced it would pause social media advertising for 30 days, and a Home Depot Inc. spokesperson stated:²¹ "Given the measures [Facebook] just announced, we're watching this very closely...Like others, we're disgusted by hate speech and discriminatory content we see on social media." Starbucks too suspended advertising across social media and committed to "discussions internally and with media partners and civil rights organizations to stop the spread of hate speech."²² It is becoming increasingly common for corporations to publicly acknowledge, and make commitments to improve their online advertising practices in order to address the potential harm these practices may have on a significant public policy issue.

While the 2020 Facebook advertiser boycott generated greater media attention toward the role of advertisers in fueling online hate, this is not a new issue, nor was this the first time major online advertisers weighed in publicly on the connections between online hate speech, advertising, and the well-being of society. In 2017, major digital advertiser AT&T pulled advertising from YouTube after its ads fueled videos with extremist content, saying: "We are deeply concerned that our ads may have appeared alongside YouTube content promoting terrorism and

¹⁸ <https://wfanet.org/garm>

¹⁹ <https://www.cnn.com/2020/01/23/tech/youtube-facebook-advertisers/index.html>

²⁰ <https://www.cnbc.com/2020/06/26/coca-cola-pauses-advertising-on-all-social-media-platforms-globally.html>

²¹ <https://fortune.com/2020/06/29/facebook-ad-boycott-top-advertisers-silent-which-companies/>

²² <https://www.bbc.com/news/business-53214291>

hate.”²³ Although historically, it is unusual for companies to make public statements about their advertising practices, in today’s climate of growing hate speech and misinformation online, advertisers and many of Disney’s peer companies may be expected to, and do, weigh in publicly on the impact of their advertising practices and their ability to manage the associated risks.

The major thrust of the Proposal is that Disney faces reputational risk due to the implications of its advertising practices as they relate to a significant public policy issue: the proliferation of hate speech and disinformation online. Disney’s activity navigating this business risk has been noted by the press.

A June 2020 Fortune article headlined “*We still haven’t heard from some of Facebook’s biggest advertisers on the growing ad boycott*”²⁴ noted that Disney had not yet joined the boycott, saying: “Several of Facebook’s top advertisers have remained silent as a growing number of companies continue joining a temporary boycott of ads on the service. ... Top advertisers on Facebook this year include Disney, Procter & Gamble, the U.S. Census Bureau, Home Depot, CBS, Wix.com, Purple Innovation, Domino’s Pizza, Sprint, and Walmart, according to data from digital marketing firm Pathmatics. None of those companies have joined the #StopHateForProfit campaign, which calls for companies to pause advertising on Facebook during the month of July.”

In July 2020, a The Wall Street Journal headline read: “*Disney Slashed Ad Spending on Facebook Amid Growing Boycott*”²⁵ and the article suggested that the Company had, at some point, reduced spending on the platform.

In February 2017, Forbes reported²⁶ that Disney “severed ties with Pewdiepie, the world’s highest-paid YouTube star, after he posted several anti-Semitic videos.”

There is a clear nexus between Disney’s business and the significant public policy issue of social media harms.

A Google search²⁷ of the phrase “Disney advertising on Facebook” generates hundreds of news articles describing the Company’s spending on the social media platform. The same is true for a Google search of “Disney advertising on YouTube.”

According to The Wall Street Journal, in the first half of 2020, Disney spent an estimated \$210 million on Facebook ads for Disney+, the Company’s multi-billion-dollar video streaming service. Disney was Facebook’s biggest ad spender during that period. In 2019, Disney was the

²³ <https://variety.com/2017/digital/news/att-youtube-advertising-terrorism-hate-videos-1202014165/>

²⁴ <https://fortune.com/2020/06/29/facebook-ad-boycott-top-advertisers-silent-which-companies/>

²⁵ <https://www.wsj.com/articles/disney-slashed-ad-spending-on-facebook-amid-growing-boycott-11595101729>

²⁶ <https://www.forbes.com/sites/maddieberg/2017/02/13/disney-cuts-ties-with-pewdiepie-after-anti-semetic-posts/?sh=681d9807278e>

²⁷

<https://www.google.com/search?q=disney+pulls+ads+child+exploitation&newwindow=1&sxsrf=ALeKk02P0XK6ZctcAcJIMYybjslzsr-DSA:1609877101968&ei=bc0X6jVOrGE5wKrpYBo&start=20&sa=N&ved=2ahUKewjov63Gy4XuAhUxwIkKHasSAA04HhDx0wN6BAgGFDM&biw=1280&bih=577&dpr=3>

No. 2 Facebook advertiser in the U.S., behind Home Depot Inc.²⁸ In 2018, Disney advertising accounted for 4% of YouTube revenue.²⁹

Disney's role as a leading advertiser on social media platforms, however, is despite knowledge at the highest levels of the Company about the potential harms of those same platforms. In a 2019 speech at the Simon Wiesenthal Center, Bob Iger - then Disney board chair and CEO - decried social media for users' abilities to spread hate. According to Variety:³⁰

“Hitler would have loved social media,’ Iger said. ‘It’s the most powerful marketing tool an extremist could ever hope for because by design social media reflects a narrow world view filtering out anything that challenges our beliefs while constantly validating our convictions and amplifying our deepest fears.’”

Reporting on the same speech by Mr. Iger, CNBC placed his comments in the context of the global controversy generated by social media platforms:³¹

“Iger’s criticism follows that of regulators and lawmakers around the world. Over the past two days, representatives from tech giants Facebook, Twitter and Google have been called to testify in front of Congress about how white nationalist sentiment spreads on their platforms and about whether their processes to remove content reflects political bias within their companies.

Iger lambasted social media for creating an echo chamber that prevents people from being exposed to other perspectives.

‘It creates a false sense that everyone shares the same opinion,’ Iger said, according to Variety. ‘Social media allows evil to prey on troubled minds and lost souls and we all know that social news feeds can contain more fiction than fact, propagating vile ideology that has no place in a civil society that values human life.’

Social media’s role in helping to convert people to extreme viewpoints has been a chief concern for the public and the tech giants alike. ISIS was well known for its use of social media to recruit people to its terrorist organization. Just last month, a self-professed white supremacist allegedly shot and killed 50 people in two mosques in New Zealand while making references to a YouTube star while livestreaming the event on Facebook. In the hours after, social media companies struggled to keep videos of the attack off of their platforms.”

Similar concerns about the potential harms of social media platforms have even affected Disney’s strategy for corporate acquisitions. In 2019, Mr. Iger told the New York Times why he

²⁸ <https://www.wsj.com/articles/disney-slashed-ad-spending-on-facebook-amid-growing-boycott-11595101729>

²⁹ <https://www.marketingdive.com/news/geico-is-top-spender-on-youtube-while-auto-brands-slash-budgets-analysis-f/547378/>

³⁰ <https://variety.com/2019/scene/news/disneys-bob-iger-blasts-political-discourse-and-social-media-we-can-do-better-1203186601/>

³¹ <https://www.cnbc.com/2019/04/11/disney-ceo-bob-iger-sharply-criticizes-social-media.html>

“pulled the plug” at the last minute on a deal to buy Twitter:³²

“The troubles were greater than I wanted to take on, greater than I thought it was responsible for us to take on...There were Disney brand issues, the whole impact of technology on society. The nastiness is extraordinary. I like looking at my Twitter newsfeed because I want to follow 15, 20 different subjects. Then you turn and look at your notifications and you’re immediately saying, why am I doing this? Why do I endure this pain? Like a lot of these platforms, they have the ability to do a lot of good in our world. They also have an ability to do a lot of bad. I didn’t want to take that on.”

2. Contrary to the Company’s statement, the Proposal is not materially false or misleading under Rule 14a-8(i)(3).

The Company makes two assertions in regard to Rule 14a-8(i)(3); neither point is substantive nor compelling.

The Company argues: “Notably, the Proposal states that “[i]n 2019, Disney ads on YouTube appeared beside content associated with a ‘soft-core pedophilia ring.’” We do not know what this statement is based upon.” The link cited³³ is <https://www.bloomberg.com/news/articles/2019-02-20/disney-pulls-youtube-ads-amid-concerns-over-child-video-voyeurs> This link is not broken, although the majority of the article is behind a paywall. However, the article headline and the first paragraph of the article are not behind a paywall, and both clearly demonstrate Disney’s centrality in the article’s discussion. The article headline reads, “*Nestle, Disney Pull YouTube Ads, Joining Furor Over Child Videos.*” The first paragraph, which is also not behind a paywall, reads: “Walt Disney Co. is said to have pulled its advertising spending from YouTube, joining other companies including Nestle SA, after a blogger detailed how comments on Google’s video site were being used to facilitate a ‘soft-core pedophilia ring.’ Some of the videos involved ran next to ads placed by Disney and Nestle.”

It is remarkable that the Company says it does not know what this statement is based upon, suggesting it is not aware of this incident. A Google search for the term “Disney pulls ads child exploitation” results in approximately 30 citations. In addition to the Bloomberg article cited in the Proposal, Variety, the entertainment trade magazine, featured the headline: “*Disney Reportedly Pulls YouTube Ads Over Child-Exploitation Controversy.*”³⁴ USA Today headlined: “*AT&T, Disney, Epic Games drop YouTube ads over concerns of pedophile comments on videos.*”³⁵ The Chicago Tribune headlined: “*Disney, Nestle and other brands pull ads from YouTube after furor over child videos.*”³⁶

³² <https://www.nytimes.com/2019/09/22/style/disney-bob-iger-book.html>

³³ <https://www.bloomberg.com/news/articles/2019-02-20/disney-pulls-youtube-ads-amid-concerns-over-child-video-voyeurs>

³⁴ <https://variety.com/2019/digital/news/disney-pulls-youtube-ads-over-child-exploitation-pedophile-controversy-1203144307/>

³⁵ <https://www.usatoday.com/story/tech/news/2019/02/22/at-t-disney-epic-games-pull-youtube-ads-child-exploitation-concerns-pedophiles/2948825002/>

³⁶ <https://www.chicagotribune.com/business/ct-biz-youtube-child-videos-ads-pulled-20190221-story.html>

Office of Chief Counsel

January 6, 2021

Page 12 of 12

The Company states: “In footnote 2 the Proponent references a website address [Disney Digital Network Advertising Inventory Guidelines] which, as of the date of this letter, cannot be found, a screenshot of which is attached hereto as Exhibit B.” It is surprising that the Company is not familiar with its own advertising guidelines.

The problematic footnote refers to a PDF document on Disney’s own web site, titled “Disney Digital Network Advertising Inventory Guidelines.” The correct link, with correct capitalization is:

<https://mediakit.go.com/wp-content/uploads/DDN-Advertising-Inventory-Guidelines.pdf>

The document can also be found on the Company’s own website by:

1. Going to this page on Disney’s website - <https://mediakit.go.com/guidelines/>
2. Clicking on the sixth item on the list, “Disney Ad Guidelines.”

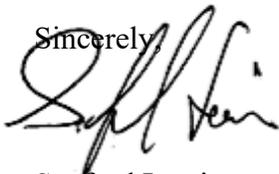
Proponent also attaches a PDF of the complete set of guidelines to this letter as Exhibit 2. Naturally, the proponent supports revision of the link’s capitalization in the proposal to connect to the Company’s guidelines.

An article behind a paywall and a problematic footnote citing Disney’s own advertising guidelines do not amount to materially false or misleading information. The Rule 14a-8(i)(3) argument has no basis in law or fact.

CONCLUSION

We urge the Staff to reject the Company’s no action request, and to notify the company that the Proposal must appear on the proxy.

Sincerely,



Sanford Lewis

cc: Lillian Brown

[DIS: Rule 14a-8 Proposal, September 11, 2020]
[This line and any line above it – *Not* for publication.]

Proposal [*]: Advertising Policies and Social Media

Whereas, Shareholders are concerned that Disney faces reputational and business risk for contributing to the spread of racism, hate speech, and disinformation online through its advertising on social media platforms like Facebook, YouTube and Twitter.

Social media platforms face criticism for failing to protect the civil and human rights of billions of people. In 2019, Chief Executive Officer Bob Iger said: "...we all know that social news feeds can contain more fiction than fact, propagating vile ideology that has no place in a civil society that values human life."¹

Disney's values are described in standards for advertising by third parties on Disney's sites, which require advertising not contain "false or misleading claims," "unlawful, harmful, threatening, defamatory, obscene" content, nor "Discrimination based on race, sex, religion, nationality, disability, sexual orientation or age."²

Yet, Disney advertises on platforms where similar standards are often not enforced. Facebook has been widely criticized for permitting harmful content and has settled civil rights lawsuits claiming Facebook excluded people from seeing housing, employment and credit ads based on age, gender and race.³ In 2019, Disney ads on YouTube appeared beside content associated with a "soft-core pedophilia ring,"⁴ and a Google executive admitted Google might never be able to guarantee "100% safety" for brands on YouTube.⁵

One study found 80% of Americans would reduce or stop buying a product if advertised next to extreme or dangerous content online⁶. From January to June 2020, Disney was Facebook's top U.S. advertiser, spending \$210 million.⁷ In 2018, Disney advertising accounted for 4% of YouTube revenue.⁸

Shareholders question whether Disney's social media advertising policies embody the company's values, including its commitment to racial justice. Disney recently restated its commitment to diversity and inclusion and pledged \$5 million to civil rights organizations. Executive Bob Chapek said: "...it is critical that we ...do everything in our power to ensure that acts of racism and violence are never tolerated."

Media reports recently found some advertisers seeking to avoid controversy were no longer placing ads adjacent to content about COVID-19, Black Lives Matter, and other prominent news issues.⁹ As a top digital advertiser, Disney is responsible for societal and business impact when it enables the spread of hate speech and disinformation, or demonetization of content in the public interest.

¹ <https://www.cnbc.com/2019/04/11/disney-ceo-bob-iger-sharply-criticizes-social-media.html>

² <https://mediakit.go.com/wp-content/uploads/DDN-Advertising-Inventory-Guidelines.pdf>

³ <https://www.cnn.com/2019/03/19/tech/facebook-discriminatory-ads-settlement/index.html>

⁴ <https://www.bloomberg.com/news/articles/2019-02-20/disney-pulls-youtube-ads-amid-concerns-over-child-video-voyeurs>

⁵ <https://www.thedrum.com/news/2019/03/05/google-says-youtube-might-never-be-100-brand-safe>

⁶ <https://www.thedrum.com/news/2019/08/13/80-people-would-avoid-buying-brands-featured-next-extreme-or-dangerous-content>

⁷ <https://www.bloomberg.com/news/articles/2020-07-18/facebook-s-top-advertiser-disney-cuts-ad-spending-wsj-says#:~:text=Disney%20was%20Facebook's%20top%20U.S.,t%20clear%2C%20the%20newspaper%20reported.>

⁸ <https://www.marketingdive.com/news/geico-is-top-spender-on-youtube-while-auto-brands-slash-budgets-analysis-f/547378/>

⁹ <https://slate.com/technology/2020/08/googles-ad-exchange-blocking-articles-about-racism.html>

Resolved, shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, assessing how and whether Disney ensures the company's advertising policies are not contributing to violations of civil or human rights. Among other things, such report should consider whether advertising policies contribute to the spread of hate speech, disinformation, white supremacist recruitment efforts, or voter suppression efforts, and whether the policies undermine efforts to defend civil and human rights, such as through the demonetization of content that seeks to advance and promote such rights.

Disney Digital Network Advertising Inventory Guidelines

These guidelines (“Guidelines”) apply to purchases of Disney Digital Network (“DDN”) advertising inventory sold in the U.S. on Disney-branded properties, as well as influencer videos, articles, posts, channels, pages and sites (“Influencer Content”) with Disney characters, assets, or branding, and Influencer Content without Disney characters, assets or branding (collectively, the “DDN Advertising Inventory”). It does not, nor can it, provide an exhaustive list of guidelines or examples and DDN reserves the right to review, approve, refuse to display, or remove any and all advertising on a case-by-case basis. DDN also reserves the right to approve exceptions to these Guidelines on a case-by-case basis.

1) Guidelines applicable to all DDN Advertising Inventory

- a) **Disclosures for Advertising Materials.** Advertising materials, including custom materials, must be clearly identifiable as an advertisement and may not be disguised as editorial content. The method of disclosure can differ depending on the platform, target audience, and type of advertising, but in all cases must be clear and conspicuous. Similarly, disclosures concerning a product, service or offer, such as how a product works, what is included with a service, or what is excluded from an offer, must be made clear and conspicuous to a reasonable consumer.
- b) **Substantiation, Legality, Third Party Rights.** Advertisers must be able to substantiate any express or implied claims conveyed in the advertising materials. An advertised offer must be fulfilled as stated in the advertisement, and advertisements may only portray or make claims about the product or services being advertised that are accurate and truthful. Advertising materials may not contain unsubstantiated, false or misleading claims, or misleading language (e.g., using the word “free” in the advertisement to describe a contest or sweepstakes prize). Nor may they violate applicable laws, rules or regulations or infringe or violate any third party’s rights.
- c) **IAB Terms.** The terms of the applicable Insertion Order (“IO”), including the 4As/IAB Standard Terms And Conditions For Internet Advertising For Media Buys One Year or Less (version 3.0) referenced in the IO, and the terms of the Promotion Agreement (if any), apply to each campaign.
- d) **Technical Specifications.** Advertising materials must comply with DDN’s technical specifications, which can be found at <https://dcpa.disney.com/media-kit/>.
- e) **Third Party Technology.** All third party technology included or appended to an Ad by or on behalf of Advertiser (“ATPV Services”), including any tags, pixels or other software code utilized for brand safety, invalid traffic/fraud or viewability, shall be subject to DDN’s prior written approval and shall only be permitted for purposes of measuring performance, monitoring, research or verification.
- f) **Disney Assets.** The use of Disney-branded assets or Disney characters in custom materials must be pre-approved by Disney Corporate Franchise Management or the appropriate Disney division that (i) controls the franchise being portrayed and (ii) has licensed the rights to the advertiser to use such assets (if applicable). If approved, then the Disney assets/characters cannot be portrayed as being aware of the sell message around them. To that extent, the following are not acceptable:
 - Characters/assets holding merchandise
 - Characters/assets pointing to, gesturing towards, or otherwise presenting merchandise, offers, or services

- Characters/assets appearing to think about merchandise, offers, or services (e.g., the use of “think bubbles”)
- Characters/assets looking at merchandise
- For food and beverage advertisers, characters/assets eating or drinking the merchandise
- Characters/assets using merchandise and/or services of the advertiser

2) **Guidelines applicable to DDN’s Advertising Inventory on Disney-branded properties and Influencer Content with Disney characters, assets, or branding** (“DDN’s Disney-branded Advertising Inventory,” e.g., inventory on Disney Style, Disney Family, Oh My Disney, Babble, Star Wars, Influencer Content claimed on YouTube)

- a) **Data Collection.** Advertisers engaging in data collection through its advertising materials must collect data in compliance with Disney’s Data Collection and Use Policy, which can be found at <https://dcp.disney.com/data-collection-use-policies/>. Where personal information is requested on an advertiser’s landing page:
1. Any collection of personal information must be in full compliance with all privacy laws, including data protection laws and regulations;
 2. An advertiser must clearly explain to the consumer how the advertiser will use the personal information collected;
 3. An advertiser must provide a clear and conspicuous link to its privacy policy on the landing page from the advertisement.
- b) **Food or Beverage Advertising.** Advertising of food or beverage products (“Food Advertising”) that targets an audience aged 13 and over are subject to the following restrictions:
- i) Food and beverages that do not meet Disney’s Nutritional Guidelines (found at <http://citizenship.disney.com/disney-check>) and are primarily intended for kid consumption (e.g. kids’ cereals) cannot be advertised.
 - ii) Kids cannot serve as talent in Food Advertising where the advertised food or beverage does not meet Disney’s Nutritional Guidelines. An adult must be the major focal point of the advertising.
 - iii) Food Advertising cannot use kid-appealing artwork or language where the advertised food or beverage does not meet Disney’s Nutritional Guidelines.
 - iv) Food Advertising should show a balance of nutritious foods such as fruits and vegetables regardless of age target.
 - v) Food Advertising that advertises soda and/or candy must be targeted to an 18+ audience.
- c) **Product Categories**
- i) The following categories are inappropriate for DDN’s Disney-branded Advertising Inventory:
 - Ads for “R” or “NC-17” rated movies, “TV14” or “TVMA” TV programming, or “M”, “AO” or “RP” rated entertainment software products
 - Tobacco (cigarettes, cigars, pipes, chewing tobacco, etc. except for anti-smoking campaigns approved by Disney)
 - Alcohol (beer, wine and hard liquor)
 - Illegal drugs (marijuana, etc., except for anti-drug campaigns approved by Disney’s Corporate Brand Management)

- Sexually explicit or suggestive images (pornography, sex sites, bare midriffs/legs) or any other products, themes or content with adult themes or themes of a sexual nature (e.g., Viagra, contraceptives, adult toys, etc.)
 - Potentially slanderous or libelous content
 - Bad language, proxies for bad language (X@#!)
 - Politics or social issues (lobbyists, PAC sites, political campaigns)
 - Sensationalism (killer bees, gossip, aliens, scandal, etc.)
 - Gambling (excluding legal state lotteries, sweepstakes and fantasy leagues) and “get rich quick” schemes
 - Graphic violence (including certain types of game sites)
 - Dangerous products or violent sports/recreational activities (guns, weapons, bullets, fireworks, matches, lighters)
 - Death and death-related products and services (funerals, funeral homes, mortuaries)
 - Advertising materials that potentially encourage imitation of unsafe, inappropriate or otherwise illegal behavior
 - Discrimination based on race, sex, religion, nationality, disability, sexual orientation or age
 - Images or content that is any way unlawful, harmful, threatening, defamatory, obscene, or harassing
 - Diet, weight loss, or slimming products such as diet pills or food substitutes such as slimming shakes
 - Personals or dating services
 - Subscriptions
 - Religion and religious themes
 - Cosmetic or body modification procedures, including tanning in an ultraviolet device and plastic surgery
 - Black Magic, Astrology, Occult and paranormal
 - Hacking and cracking products and services
 - Brokerages and day trading
 - Unauthorized or unapproved use of Disney’s creative assets (such as, talent, logos, characters, movie logos, theme park imagery, color scheme, font(s), etc.)
- ii) The following categories are reviewed on a case-by-case basis to determine whether they are appropriate for DDN Disney-branded Advertising Inventory:
- PG-13 movies and T-rated entertainment software products
 - OTC (over-the-counter) or prescription medication (including vitamins, dietary supplements, and diet/weight-loss products)
 - Double entendres
 - Controversial topics (social issues, etc.)
 - An implied affiliation or favored status with Disney
 - A copy or parody of current or past Disney advertising materials
 - Involves a direct business competitor of Disney’s
 - Involves an advertiser in a category where Disney has previously granted exclusive rights to another party
 - Non-Disney animated characters

3) Guidelines applicable to DDN Advertising Inventory directed at children under 13

- i) **Disclosures.** In addition to text disclosures, audio disclosures must be used when video or audio advertising is directed at children under 13.
 - ii) **Compliance.** The advertising materials and delivery must also comply with the Children’s Online Privacy Protection Act, the Children’s Online Privacy Protection Rule, as amended, and any United States Federal Trade Commission guidance on the foregoing Act and Rule (collectively, “COPPA”) and the Children’s Advertising Review Unit’s (“CARU”) guidelines. COPPA and CARU provide that, among other requirements, advertisements directed to children under 13 years of age should not engage in online behavioral advertising. To learn more about COPPA and CARU, see <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/childrens-online-privacy-protection-rule> and <http://www.caru.org/guidelines/guidelines.pdf>.
 - iii) **FORT-D.** The DDN Account Management Organization must run all advertisements through its internal ad approval system (“FORT-D”) before an ad campaign directed at children under 13 can launch.
 - iv) **Data Collection.** Personal information (as defined under COPPA) must not be collected from children on DDN Advertising Inventory.
 - v) **Nutrition Guidelines.** All advertisements for food and beverage products, food service providers, and restaurants directed to kids and families must comply with The Walt Disney Company’s Nutrition Guidelines and must be approved on a case-by-case basis. Disney’s Nutrition Guidelines can be found at <http://citizenship.disney.com/disney-check>.
 - vi) **Entertainment Software Products (e.g., console games, mobile games) directed at children under 13.** Industry sponsored ratings for entertainment software products (referred to herein as “Games”) must be disclosed in video and audio. Games carrying an Entertainment Software Rating Board (“ESRB”) rating of E or E10+ (for everyone 10 and older) may be advertised. For more information on ESRB ratings, go to www.esrb.org.
 - vii) **Films and Videos directed at children under 13.** Advertisers should take care to ensure that only age-appropriate videos and films are advertised to children. If an industry rating system applies to the product, such as the Motion Picture Association of America (“MPAA”) rating for films, the rating label must be prominently displayed.
 - viii) **Product Categories.** In addition to the categories listed in Section 2(c) above, the following categories are prohibited on DDN Advertising Inventory directed to children under 13:
 - Content that could frighten or upset young children or the parents of young children or is otherwise inappropriate for children
 - Food or beverages that contain high levels of caffeine or any artificial stimulant (including guarana or other energy drinks)
 - Advertisements that link to any age-restricted social media platform or network e.g. Facebook, Instagram, Twitter
 - Products with a “keep out of reach of children” label
 - Products with product pricing featured
- 4) **Guidelines applicable to DDN Advertising Inventory on Influencer Content without Disney characters, assets or branding** (e.g., inventory on influencer’s personal YouTube channel, or

Facebook or Instagram pages). Generally, the same restrictions apply as described in Section 2(c) above, with the following exceptions:

- a) **M or T-Rated Games.** Advertising for M or T-Rated Games is reviewed for approval on a case by case basis. If approved, advertisements for an M or T-Rated Game must comply with the Entertainment Software Rating Board's ("ESRB") guidelines found at https://www.esrb.org/ratings/principles_guidelines.aspx and the guidelines below:
 - An advertisement should accurately reflect the nature and content of the Game it represents (i.e., an advertisement should not mislead the consumer as to the Game's true character.);
 - An advertisement should not glamorize or exploit the ESRB rating of a product or a ruling or determination made by Advertising Review Council ("ARC"), nor misrepresent the scope of ARC's determination;
 - A Game's ESRB rating must be disclosed in the advertisement; for video advertisements, it should be disclosed in both text and audio;
 - All advertisements should be created with a sense of responsibility toward the public;
 - No advertisement should contain any content that is likely to cause serious or widespread offense to the average consumer;
 - Advertisers must not specifically target advertising for Games rated "Teen," "Mature," or "Adults Only" to consumers for whom the Game is not rated as appropriate;
 - Games that encourage excessive violence, dangerous, or anti-social behavior or Games with sexual themes will not be approved;
 - To the extent possible based on the nature of the advertisement and the inventory, advertisements for M-rated Games will be placed on advertising inventory that runs after 10:30pm ET (9:30pm CT);
 - If DDN is creating custom materials for an M-rated Game, DDN will use an influencer that targets an audience that is at least 17 years old or older.
- b) **Film/TV.** Advertised film and TV content must be appropriate for the audience and the environment of the platform. For films, the rating must be included within the advertisement. To the extent possible based on the nature of the advertisement and the inventory, advertisements for R-rated movies will be placed on advertising inventory that runs after 10:30pm ET (9:30pm CT). If DDN is creating custom materials for an R-rated movie, DDN will use an influencer that targets an audience that is at least 17 years old or older.
- c) **Alcohol.** Alcohol advertising is subject to the platform terms of use. On-screen talent must be 25 years old and appear in a role that is at least 21 years old. At least 72% of the audience of the channel where the alcohol advertising will appear must be at least 21 years old or older. Advertisers should comply with the self-regulatory code applicable to their alcohol product (i.e. Distilled Advertising Council of the United States <https://www.distilledspirits.org/>, the Beer Institute <http://www.beerinstitute.org/>, or Wine Institute <https://www.wineinstitute.org/>).
- d) **Food Advertising.** The restrictions on Food Advertising applicable to DDN Disney-branded Advertising Inventory do not apply to Influencer Content without Disney characters, assets or branding.
- e) **Other.** DDN reserves the right to approve other exceptions to the restrictions described in Section 2(c) above on a case-by-case basis.

Lillian Brown

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lillian.brown@wilmerhale.com

October 31, 2020

Via E-mail to shareholderproposals@sec.gov

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

**Re: The Walt Disney Company
Exclusion of Shareholder Proposal by Myra K. Young**

Ladies and Gentlemen:

We are writing on behalf of our client, The Walt Disney Company (the “Company”), to inform you of the Company’s intention to exclude from its proxy statement and proxy to be filed and distributed in connection with its 2021 annual meeting of shareholders (the “Proxy Materials”) the enclosed shareholder proposal and supporting statement (collectively, the “Proposal”) submitted by Myra K. Young (together with her designated representative, John Chevedden, the “Proponent”) requesting that the Company commission an independent third-party report “assessing how and whether Disney ensures the company’s advertising policies are not contributing to violations of civil or human rights.”

The Company respectfully requests that the staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) advise the Company that it will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its Proxy Materials pursuant to Rule 14a-8(i)(7) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on the basis that the Proposal relates to the Company’s ordinary business operations, or, alternatively, pursuant to Rule 14a-8(i)(3) of the Exchange Act on the basis that the Shareholder Proposal is materially false and misleading in violation of Rule 14a-9.

Pursuant to Exchange Act Rule 14a-8(j) and Staff Legal Bulletin No. 14D (November 7, 2008) (“SLB 14D”), the Company is submitting electronically to the Commission this letter, and the Proposal and related correspondence (attached as Exhibit A to this letter), and is concurrently sending a copy to the Proponent, no later than eighty calendar days before the Company intends to file its definitive Proxy Materials with the Commission.

October 31, 2020

Page 2

Background

On September 11, 2020, the Company received the Proposal from the Proponent, which states as follows:

Proposal [*]: Advertising Policies and Social Media

Whereas, Shareholders are concerned that Disney faces reputational and business risk for contributing to the spread of racism, hate speech, and disinformation online through its advertising on social media platforms like Facebook, YouTube and Twitter.

Social media platforms face criticism for failing to protect the civil and human rights of billions of people. In 2019, Chief Executive Officer Bob Iger said: “...we all know that social news feeds can contain more fiction than fact, propagating vile ideology that has no place in a civil society that values human life.”¹

Disney’s values are described in standards for advertising by third parties on Disney’s sites, which require advertising not contain “false or misleading claims,” “unlawful, harmful, threatening, defamatory, obscene” content, nor “Discrimination based on race, sex, religion, nationality, disability, sexual orientation or age.”²

Yet, Disney advertises on platforms where similar standards are often not enforced. Facebook has been widely criticized for permitting harmful content and has settled civil rights lawsuits claiming Facebook excluded people from seeing housing, employment and credit ads based on age, gender and race.³ In 2019, Disney ads on YouTube appeared beside content associated with a “soft-core pedophilia ring,”⁴ and a Google executive admitted Google might never be able to guarantee “100% safety” for brands on YouTube.⁵

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⁵ <https://www.thedrum.com/news/2019/03/05/google-says-youtube-might-never-be-100-brand-safe>

October 31, 2020

Page 3

One study found 80% of Americans would reduce or stop buying a product if advertised next to extreme or dangerous content online⁶. From January to June 2020, Disney was Facebook's top U.S. advertiser, spending \$210 million.⁷ In 2018, Disney advertising accounted for 4% of YouTube revenue.⁸

Shareholders question whether Disney's social media advertising policies embody the company's values, including its commitment to racial justice. Disney recently restated its commitment to diversity and inclusion and pledged \$5 million to civil rights organizations. Executive Bob Chapek said: "...it is critical that we...do everything in our power to ensure that acts of racism and violence are never tolerated."

Media reports recently found some advertisers seeking to avoid controversy were no longer placing ads adjacent to content about COVID-19, Black Lives Matter, and other prominent news issues.⁹ As a top digital advertiser, Disney is responsible for societal and business impact when it enables the spread of hate speech and disinformation, or demonetization of content in the public interest.

Resolved, shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, assessing how and whether Disney ensures the company's advertising policies are not contributing to violations of civil or human rights. Among other things, such report should consider whether advertising policies contribute to the spread of hate speech, disinformation, white supremacist recruitment efforts, or voter suppression efforts, and whether the policies undermine efforts to defend civil and human rights such as through the demonetization of content that seeks to advance and promote such rights.

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October 31, 2020

Page 4

Basis for Exclusion

The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(7)

Rule 14a-8(i)(7) permits a company to exclude a shareholder proposal if the proposal “deals with a matter relating to the company’s ordinary business operations.” The underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting.” SEC Release No. 34-40018 (May 21, 1998) (the “1998 Release”). As set out in the 1998 Release, there are two “central considerations” underlying the ordinary business exclusion. One consideration is that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” The other consideration is that a proposal should not “seek[] to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” The Proposal implicates the first of these considerations.

The Proposal May Be Excluded Because the Subject Matter of the Proposal Directly Concerns the Company’s Ordinary Business Operations

The Proposal may be excluded in reliance on Rule 14a-8(i)(7) because it relates to the manner in which the Company advertises its products and services. The Staff consistently has concurred that decisions regarding a company’s advertising of products and services relate to a company’s ordinary business operations and thus may be excluded under Rule 14a-8(i)(7). For example, in Amazon.com, Inc. (March 23, 2018), the Staff concurred in exclusion of a proposal requesting that “the board take the steps necessary to establish a policy that will ensure that the Company does not place promotional or other marketing material on online sites or platforms that produce and disseminate content that expresses hatred or intolerance for people on the basis of actual or perceived race, ethnicity, national origin, religious affiliation, sex, gender, gender identity, sexual orientation, age or disability” as relating to the Company’s ordinary business operations. In this regard, the Staff noted that the Proposal “relates to the manner in which the Company advertises its products and services.” *See also* Ford Motor Company (February 2, 2017) (concurring in exclusion of a proposal requesting that the company assess the political activity resulting from its advertising and any resulting exposure to risk because the proposal related to Ford’s ordinary business operations); FedEx Corp. (July 11, 2014) (concurring in exclusion of a proposal relating to the company’s sponsorship of the Washington DC NFL franchise team given controversy over the team’s name because the proposal “relate[d] to the manner in which FedEx advertise[d] its products and services”); Tootsie Roll Industries Inc. (January 31, 2002) (concurring in exclusion

October 31, 2020

Page 5

of a proposal asking the company to identify and disassociate from any offensive imagery to the American Indian community in product marketing and advertising because the proposal related to “the manner in which a company advertises its products”); The Quaker Oats Company (March 16, 1999) (concurring in exclusion of a proposal requesting the formation of an employee committee to review advertising for content slandering people based on race, ethnicity, or religion because the proposal related to “the manner in which a company advertises its products”); PepsiCo, Inc. (February 23, 1998) (concurring in exclusion of a proposal requesting that the Board of Directors prepare a report regarding the use of nonracist portrayals by the company because the proposal related to “the manner in which a company advertises its products”); and General Mills, Inc. (July 14, 1992) (concurring in exclusion of a proposal to establish a policy of not advertising on Geraldo Rivera’s show and other “trash TV” programs because the proposal related to “the manner in which a company advertises its products”).

The allocation of advertising resources to best promote a company’s products and services is a key management function. As a diversified worldwide entertainment company, the Company’s internal and external advertising professionals devote significant time, energy and resources in making decisions relating to the advertising of the Company’s products and services, including determining the appropriate channels for advertising, such as social media platforms. Further, the Company operates in a highly competitive industry and marketing effectiveness is among the competitive factors that affect the sales of its products and services. By requesting a report on the assessment of “how and whether Disney ensures the company’s advertising policies are not contributing to violations of civil or human rights,” the Proposal reflects the Proponent’s attempt to impose on the Company the Proponent’s own views on advertising strategy and standards. However, as in the precedents discussed above, the manner or context in which a company advertises its products address ordinary business issues, and thus are excludable under Rule 14a-8(i)(7).

To the extent that the Proponent might argue that a request for a report to shareholders regarding an assessment of whether the Company’s advertising policies are contributing to civil or human rights violations is not the same as dictating advertising, the Staff has rejected similar attempts to put form over substance. Framing a shareholder proposal in the form of a request for a report does not change the underlying nature of the proposal. The SEC has long held that the Staff evaluates proposals requesting dissemination of a report by considering the underlying subject matter of the proposal when applying Rule 14a-8(i)(7), and that such proposals are excludable when the substance is within the ordinary business of the company. *See* Release No. 34-20091 (August 16, 1983) (“[T]he staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable”). *See also* Rite Aid Corp. (April 17, 2018) (concurring in exclusion of a proposal requesting a report on the feasibility of adopting company-wide goals for increasing energy

October 31, 2020

Page 6

efficiency and use of renewable energy, in which the Staff determined that the proposal focused “primarily on matters relating to the Company’s ordinary business operations”); and Netflix, Inc. (March 14, 2016) (concurring in exclusion of a proposal that requested a report relating to the company’s assessment and screening of “inaccurate portrayals of Native Americans, American Indians and other indigenous peoples,” in which the Staff determined that the proposal related to the ordinary business matter of the “nature, presentation and content of programming and film production”). Accordingly, even though the Proposal is in the form of a request for a report, it is excludable because the underlying subject matter bears on the ordinary business topic of the manner in which the Company advertises its products.

The Proposal Does Not Raise a Significant Social Policy Issue That Transcends the Company’s Ordinary Business Operations

The Proponent seeks to cast the Proposal as relating to a significant policy issue by asserting that the Company’s decision to advertise on certain social media platforms “contribute[s] to the spread of racism, hate speech, and disinformation online”; however, the mere reference to a significant policy issue does not alter the fundamentally ordinary business focus of the Proposal with regard to the Company in particular.

As set out in the 1998 Release, proposals “focusing on sufficiently significant social policy issues (e. g., significant discrimination matters) generally would not be considered to be excludable [under Rule 14a-8(i)(7)], because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.” As the Staff has since made clear, the extent to which a proposal has a nexus to the business of the company is relevant in assessing whether a proposal may be excluded on the basis that it relates to the ordinary business of the company notwithstanding a reference to a significant policy issue. The Staff indicated in Staff Legal Bulletin 14E (October 27, 2009) that a shareholder proposal focusing on a significant policy issue “generally will not be excludable under Rule 14a-8(i)(7) as long as a sufficient nexus exists between the nature of the proposal and the company.” In Staff Legal Bulletin 14H (October 22, 2015) the Staff further explained that “[w]hether the significant policy exception applies depends, in part, on the connection between the significant policy issue and the company’s business operations.” Finally, in Staff Legal Bulletin 14K (October 16, 2019), the Staff reiterated its view that the applicability of the significant policy exception “depends, in part, on the connection between the significant policy issue and the company’s business operations.” The Staff also clarified that the focus of this analysis is not on “the overall significance of the policy issue raised by the proposal,” but rather on “whether the proposal raises a policy issue that transcends the particular company’s ordinary business operations.” Thus, “a policy issue that is significant to one company may not be significant to another.”

October 31, 2020

Page 7

Consistent with this position, when a proposal does not have a sufficient nexus to a company's business, the Staff has concurred that the proposal is excludable under Rule 14-8(i)(7) even if it touches upon a significant policy issue. For example, in PayPal Holdings Inc. (March 6, 2018), the Staff concurred in exclusion of a proposal addressing climate change that was submitted to a technology and digital payment company and in Viacom Inc. (December 18, 2015), the Staff concurred in exclusion of a proposal requesting that the company issue a report assessing the company's policy responses to public concerns regarding linkages of food and beverage advertising to impacts on children's health, despite the proponent's assertion that the company, by virtue of licensing popular characters to manufacturers of certain food products, was in a position similar to the food manufacturers. *See also* Amazon.com, Inc. (discussed above); Wal-Mart Stores, Inc. (March 9, 2011) (concurring in exclusion of a proposal addressing gun violence that was submitted to a multiproduct retailer); and Rite Aid Corp. (March 5, 1997) (concurring in exclusion of a proposal regarding the health effects of cigarette smoking that was submitted to a multiproduct retailer). In comparison, in AmerisourceBergen Corp. (January 11, 2018) the Staff declined to concur in exclusion of a proposal addressing the opioid crisis that was submitted to a pharmaceutical products distributor engaged in the distribution of opioids.

Here, and as in the letters cited above, to the extent the Proposal references a significant policy issue generally, it does not raise a significant policy issue as to the Company because it does not have a sufficient nexus to the business of the Company. The business of the Company is entertainment, not hosting and/or creation of content on a social media platform. Accordingly, the Proposal is excludable as related to the Company's ordinary business pursuant to Rule 14a-(8)(i)(7).

The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(3)

Rule 14a-8(i)(3) permits a company to exclude all or portions of a shareholder proposal "[i]f the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials." Specifically, Rule 14a-9 provides that no solicitation may be made by means of any proxy materials "containing any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading." The Note to Rule 14a-9 provides examples of statements that may be misleading within the meaning of Rule 14a-9, including "Material which directly or indirectly impugns character, integrity or personal reputation, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation." This point is

October 31, 2020

Page 8

reiterated in Staff Legal Bulletin No. 14B (September 15, 2004) (“SLB 14B”), which states that “reliance on rule 14a-8(i)(3) to exclude or modify a statement may be appropriate where ... statements directly or indirectly impugn character, integrity or personal reputation, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation.” In addition, the Staff takes the view that a proposal may be excluded pursuant to Rule 14a-8(i)(3) where “neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires” and where “the company demonstrates objectively that a factual statement is materially false or misleading.” SLB 14B.

The Staff has previously concurred in the exclusion of shareholder proposals pursuant to Rule 14a-8(i)(3) in cases where the proposals contained statements that were “materially false or misleading.” *See, e.g.*, Ferro Corporation (March 17, 2015) (concurring in exclusion of a proposal requesting that the company reincorporate in Delaware based on misstatements of Ohio law, which suggested that the stockholders would have increased rights if the Delaware law governed the company instead of Ohio law); General Electric Co. (January 6, 2009) (concurring in exclusion of a proposal regarding director service on board committees as false and misleading where the proposal repeatedly referred to “withheld” votes and incorrectly implied that the company offered shareholders the ability to withhold votes in elections of directors); Johnson & Johnson (January 31, 2007) (concurring in exclusion of a proposal as materially false or misleading where the proposal involved an advisory vote to approve the company’s compensation committee report but contained misleading implications about the contents of the report in light of SEC disclosure requirements).

The Proposal is materially false and misleading in several respects. Notably, the Proposal states that “[i]n 2019, Disney ads on YouTube appeared beside content associated with a ‘soft-core pedophilia ring.’” We do not know what this statement is based upon. The Proponent does not provide any factual foundation for this inflammatory statement, which impugns the character, integrity and reputation of the Company and makes a charge concerning improper and immoral associations. Rather, the Proponent cites to online materials that are not publicly available and which neither the Company nor its stockholders would be able to access to assess the veracity of the Proponent’s inflammatory statement. Without such information, stockholders do not have the information needed to make an informed voting decision.

In footnote 2 the Proponent references a website address which, as of the date of this letter, cannot be found, a screen shot of which is attached hereto as Exhibit B. In Staff Legal Bulletin No. 14 (July 13, 2001) (“SLB 14”), the Staff included the following interpretive guidance:

October 31, 2020

Page 9

May a reference to a website address in the proposal or supporting statement be subject to exclusion under the rule?

Yes. In some circumstances, we may concur in a company's view that it may exclude a website address under rule 14a-8(i)(3) because information contained on the website may be materially false or misleading, irrelevant to the subject matter of the proposal or otherwise in contravention of the proxy rules. Companies seeking to exclude a website address under rule 14a-8(i)(3) should specifically indicate why they believe information contained on the particular website is materially false or misleading, irrelevant to the subject matter of the proposal or otherwise in contravention of the proxy rules.

The Staff expanded on its approach to website links in Staff Legal Bulletin 14G (October 16, 2012) ("SLB 14G"), reiterating that website references may be excludable under Rule 14a-8(i)(3) and noting that "if a proposal references a website that is not operational at the time the proposal is submitted, it will be impossible for a company or the [S]taff to evaluate whether the website reference may be excluded." Specifically, the Staff stated that it considers "only the information contained in the proposal and supporting statement and determine[s] whether, based on that information, shareholders and the company can determine what actions the proposal seeks." Further, "[i]f a proposal or supporting statement refers to a website that provides information necessary for shareholders and the company to understand with reasonable certainty exactly what actions or measures the proposal requires, and such information is not also contained in the proposal or in the supporting statement, then we believe the proposal would raise concerns under Rule 14a-9 and would be subject to exclusion under Rule 14a-8(i)(3) as vague and indefinite." Without the information included in the link, the Company's stockholders will not be able to make an informed voting decision. In addition, as the Staff noted in SLB 14G, "a reference to a non-operational website in a proposal or supporting statement could be excluded under Rule 14a-8(i)(3) as irrelevant to the subject matter of a proposal."

As discussed above, the Proponent has not provided any factual basis for the inflammatory statement impugning the character, integrity and reputation of the Company and charging improper and immoral associations relating to the location of Disney ads on YouTube near inappropriate content, while also citing to online materials that are not available for the Company and its stockholders to evaluate. Accordingly the Proposal is materially false and misleading in violation of Rule 14a-9 and therefore may be excluded in its entirety under Rule 14a-8(i)(3), consistent with SLB 14 (the Staff may "find it appropriate for [the Company] to exclude the entire proposal, supporting statement, or both, as materially false or misleading.").

October 31, 2020

Page 10

Conclusion

For the foregoing reasons, and consistent with the Staff's prior no-action letters, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its Proxy Materials pursuant to Rule 14a-8(i)(7), on the basis that the Proposal relates to the Company's ordinary business operations, or, alternatively, Rule 14a-8(i)(3), on the basis that the Proposal is materially false and misleading in violation of Rule 14a-9.

If the Staff has any questions with respect to the foregoing, or if for any reason the Staff does not agree that the Company may exclude the Proposal from its Proxy Materials, please do not hesitate to contact me at lillian.brown@wilmerhale.com or (202) 663-6743. In addition, should the Proponent choose to submit any response or other correspondence to the Commission, we request that the Proponent concurrently submit that response or other correspondence to the Company, as required pursuant to Rule 14a-8(k) and SLB 14D, and copy the undersigned.

Best regards,



Lillian Brown

Enclosures

cc: Jolene Negre, Associate General Counsel and Assistant Secretary
The Walt Disney Company

John Chevedden

EXHIBIT A

Mr. Alan N. Braverman
Corporate Secretary
The Walt Disney Company (DIS)
500 S Buena Vista Street
Burbank CA 91521

Dear Mr. Braverman:

I am delighted to own shares in The Walt Disney Company. However, I believe the Board should take this opportunity to signal improvement in its corporate governance.

My attached proposal requesting a report on **Advertising Policies and Social Media** is for the next annual shareholder meeting. I will meet Rule 14a-8 requirements, including the continuous ownership of the required stock value until after the date of the respective shareholder meeting. My submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

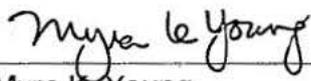
This is my delegation to John Chevedden and/or his designee to forward this Rule 14a-8 proposal to the company and to act as my agent regarding this Rule 14a-8 proposal, negotiations and/or modification, and presentation of it for the forthcoming shareholder meeting.

Please direct all future communications regarding my rule 14a-8 proposal to John Chevedden

to facilitate prompt and verifiable communications. Please identify me exclusively as the lead filer of the proposal.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote. Your consideration and the consideration of the Board of Directors is appreciated in support of the long-term performance of our company. **Please acknowledge receipt of my proposal promptly by email to** *** We look forward to negotiations and implementation.

Sincerely



Myra K. Young

September 11, 2020

Date

cc: Jolene Negre, Associate General Counsel and Assistant Secretary, The Walt Disney Company

Kimberly McKiernan, Investor Relations, _____

[DIS: Rule 14a-8 Proposal, September 11, 2020]
[This line and any line above it – *Not* for publication.]

Proposal [*]: Advertising Policies and Social Media

Whereas, Shareholders are concerned that Disney faces reputational and business risk for contributing to the spread of racism, hate speech, and disinformation online through its advertising on social media platforms like Facebook, YouTube and Twitter.

Social media platforms face criticism for failing to protect the civil and human rights of billions of people. In 2019, Chief Executive Officer Bob Iger said: "...we all know that social news feeds can contain more fiction than fact, propagating vile ideology that has no place in a civil society that values human life."¹

Disney's values are described in standards for advertising by third parties on Disney's sites, which require advertising not contain "false or misleading claims," "unlawful, harmful, threatening, defamatory, obscene" content, nor "Discrimination based on race, sex, religion, nationality, disability, sexual orientation or age."²

Yet, Disney advertises on platforms where similar standards are often not enforced. Facebook has been widely criticized for permitting harmful content and has settled civil rights lawsuits claiming Facebook excluded people from seeing housing, employment and credit ads based on age, gender and race.³ In 2019, Disney ads on YouTube appeared beside content associated with a "soft-core pedophilia ring,"⁴ and a Google executive admitted Google might never be able to guarantee "100% safety" for brands on YouTube.⁵

One study found 80% of Americans would reduce or stop buying a product if advertised next to extreme or dangerous content online⁶. From January to June 2020, Disney was Facebook's top U.S. advertiser, spending \$210 million.⁷ In 2018, Disney advertising accounted for 4% of YouTube revenue.⁸

Shareholders question whether Disney's social media advertising policies embody the company's values, including its commitment to racial justice. Disney recently restated its commitment to diversity and inclusion and pledged \$5 million to civil rights organizations. Executive Bob Chapek said: "...it is critical that we ...do everything in our power to ensure that acts of racism and violence are never tolerated."

Media reports recently found some advertisers seeking to avoid controversy were no longer placing ads adjacent to content about COVID-19, Black Lives Matter, and other prominent news issues.⁹ As a top digital advertiser, Disney is responsible for societal and business impact when it enables the spread of hate speech and disinformation, or demonetization of content in the public interest.

¹ <https://www.cnbc.com/2019/04/11/disney-ceo-bob-iger-sharply-criticizes-social-media.html>

² <https://mediakit.go.com/wp-content/uploads/DDN-Advertising-Inventory-Guidelines.pdf>

³ <https://www.cnn.com/2019/03/19/tech/facebook-discriminatory-ads-settlement/index.html>

⁴ <https://www.bloomberg.com/news/articles/2019-02-20/disney-pulls-youtube-ads-amid-concerns-over-child-video-voyeurs>

⁵ <https://www.thedrum.com/news/2019/03/05/google-says-youtube-might-never-be-100-brand-safe>

⁶ <https://www.thedrum.com/news/2019/08/13/80-people-would-avoid-buying-brands-featured-next-extreme-or-dangerous-content>

⁷ <https://www.bloomberg.com/news/articles/2020-07-18/facebook-s-top-advertiser-disney-cuts-ad-spending-wsj-says#:~:text=Disney%20was%20Facebook's%20top%20U.S.,t%20clear%2C%20the%20newspaper%20reported>

⁸ <https://www.marketingdive.com/news/geico-is-top-spender-on-youtube-while-auto-brands-slash-budgets-analysis-f/547378/>

⁹ <https://slate.com/technology/2020/08/googles-ad-exchange-blocking-articles-about-racism.html>

Resolved, shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, assessing how and whether Disney ensures the company's advertising policies are not contributing to violations of civil or human rights. Among other things, such report should consider whether advertising policies contribute to the spread of hate speech, disinformation, white supremacist recruitment efforts, or voter suppression efforts, and whether the policies undermine efforts to defend civil and human rights, such as through the demonetization of content that seeks to advance and promote such rights.



The WALT DISNEY Company

Jolene E. Negre
Associate General Counsel and Assistant Secretary

September 25, 2020

VIA EMAIL AND OVERNIGHT COURIER

Myra K. Young
c/o John Chevedden

Re: Notice of Deficiency Relating to Shareholder Proposal

Dear Mr. Chevedden:

On September 11, 2020, The Walt Disney Company (the "Company") received the shareholder proposal submitted by Myra K. Young (the "Proponent") for consideration at the Company's 2021 Annual Meeting (the "Submission"). The Submission indicates that communications regarding it should be directed to you. Based on the date of electronic transmission of the Submission, the Company has determined that the date of submission was September 11, 2020 (the "Submission Date").

Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides that a shareholder proponent must submit sufficient proof of their continuous ownership of at least \$2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for at least one year as of the Submission Date. The Company's stock records do not indicate that the Proponent is the record owner of sufficient shares to satisfy this requirement. Therefore, under Rule 14a-8(b), the Proponent must prove its eligibility by submitting either:

- A written statement from the "record" holder of the Proponent's shares (usually a broker or a bank) verifying that, as of the Submission Date, the Proponent continuously held the requisite number of Company shares for at least one year. As addressed by the SEC staff in Staff Legal Bulletin 14G, please note that if the Proponent's shares are held by a bank, broker or other securities intermediary that is a Depository Trust Company ("DTC") participant or an affiliate thereof, proof of ownership from either that DTC participant or its affiliate will satisfy this requirement. Alternatively, if the Proponent's shares are held by a bank, broker or other securities intermediary that is not a DTC participant or an affiliate of a DTC participant, proof of ownership must be provided by both (1) the bank, broker or other securities intermediary and (2) the DTC participant (or an affiliate thereof) that can verify the holdings of the bank, broker or other securities intermediary. You can confirm whether a particular bank, broker or other securities intermediary is a DTC participant by checking DTC's participant list, which is available on the Internet at <http://www.dtcc.com/downloads/membership/directories/dtc/alpha.pdf>. The Proponent



The WALT DISNEY Company

Jolene E. Negre
Associate General Counsel and Assistant Secretary

should be able to determine who the DTC participant is by asking the Proponent's bank, broker or other securities intermediary; or

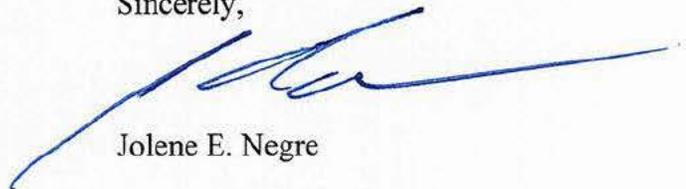
- If the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting its ownership of the requisite number of Company shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the requisite number of Company shares for the one-year period.

To remedy this defect, the Proponent must submit sufficient proof of its ownership of the requisite number of Company shares during the time period of one year preceding and including the Submission Date.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to the undersigned, Assistant General Counsel of the Company, at [REDACTED]. The failure to correct the deficiencies within this timeframe will provide the Company with a basis to exclude the proposal contained in the Submission from the Company's proxy materials for the 2021 Annual Meeting.

If you have any questions with respect to the foregoing, please email me. For your reference, I enclose copies of Rule 14a-8 and Staff Legal Bulletins 14F and 14G.

Sincerely,



Jolene E. Negre

Enclosures - Exchange Act Rule 14a-8
Staff Legal Bulletins 14F and 14G



09/15/2020

Myra Young

Re: Your TD Ameritrade Account Ending in ***

Dear Myra Young,

Pursuant to your request, this letter is to confirm that as of the date of this letter, Myra K. Young held, and had held continuously for at least 13 months, 100 shares of Walt Disney Co (DIS) common stock in her account ending in *** at TD Ameritrade. The DTC clearinghouse number for TD Ameritrade is 0188.

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,

A handwritten signature in cursive script that reads 'Gabriel Elliott'.

Gabriel Elliott
Resource Specialist
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

Market volatility, volume, and system availability may delay account access and trade executions.

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EXHIBIT B

Footnote 2 Website Screenshot

