



The  
**WALT DISNEY**  
Company

## 2022 Annual Meeting of Shareholders

MARCH 9, 2022

Disney Speakers:

**Susan Arnold**

*Chairman of the Board*

**Bob Chapek**

*Chief Executive Officer*

**Horacio Gutierrez**

*Senior Executive Vice President, General Counsel and Secretary*



## **PRESENTATION**

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### **Operator**

Welcome to the Walt Disney Company's Annual Meeting of Shareholders. Please welcome the Chairman of the Board, Susan Arnold.

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**Susan Arnold** – *Chairman of the Board, The Walt Disney Company*

Hello, and thank you all for joining us.

As shareholders, you are key stakeholders in The Walt Disney Company. And your continued confidence in our business – and in our leadership team – is incredibly important to us, especially in these extraordinary times.

We are very pleased with our performance and the growth we've seen in the past year. But, of course, we recognize that our success is predicated on more than strong business results. So, among other things, we continue to strive to make Disney a more sustainable business, to create a workplace in which all employees feel welcome and supported, and to contribute to communities where we work.

Today, we'll provide you with a broad overview of what we have accomplished and where we are headed at Disney.

To start things off, our General Counsel, Horacio Gutierrez, will conduct the business portion of our meeting. Once that's complete, our CEO Bob Chapek will update you on the Company's priorities and projects. And, after that we'll be happy to answer your questions.

Before I hand it over to Horacio, I'd like to take a moment and acknowledge our other independent Directors, all of whom are with us today. We have Mary Barra, Safra Catz, Amy



Chang, Francis deSouza, Michael Froman, Mel Lagomasino, Calvin McDonald, Mark Parker and Derica Rice.

And now we'll turn it over to Horacio for the business portion. Horacio?

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**Horacio Gutierrez** – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you, Susan. The meeting has been duly called and is being conducted in conformity with the laws of Delaware and the Company's charter and bylaws.

If you have already voted by proxy, you don't need to vote again now. If you haven't yet voted, or if you want to change your vote, you may do that during this meeting by clicking on the voting link on the virtual meeting website and following the instructions there.

Copies of the rules for the meeting were provided on the virtual meeting website, and I would ask that everyone please respect the rules.

We have eight items on the agenda today, including five shareholder proposals.

I will introduce each of the first three items and shareholder representatives will present each of the shareholder proposals.

Then, the polls will close, and we will hear a preliminary report from the Inspector of Election and adjourn the business portion of the meeting.

The Company has retained Broadridge Investor Communications Solutions as Inspector of Election for this meeting. I would now like to introduce Belinda Massafra, a representative of Broadridge, and ask her to report on the number of outstanding shares present today and voting.



**Belinda Massafra** – *Representative, Broadridge*

Thank you, Mr. Gutierrez. As of the close of business on January 10, 2022, the record date for this meeting, there were 1,820,467,305 shares of common stock outstanding, each of which is entitled to one vote.

There are at least 1,441,718,104 shares of common stock represented by proxy at this meeting, which represents at least 51% of the total number of shares entitled to vote.

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**Horacio Gutierrez** – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. Based on this report, I declare that a quorum is present, that this meeting is qualified to proceed, and that the polls are now open.

The first item is the election of eleven members of the Board of Directors.

Each director holds office for a term of one year.

Each of the current directors is nominated for election at this meeting.

The Board recommends a vote “For” the election of all of the nominees.

The next item is ratification of the appointment of Pricewater–houseCoopers LLP as the Company’s independent registered public accountants for the current fiscal year, as recommended by the Audit Committee of the Board of Directors.

David Johnson, a representative of PricewaterhouseCoopers, is here today to respond to any questions.



The Board recommends a vote “For” the ratification of the appointment of PricewaterhouseCoopers as the Company’s independent registered public accountants for fiscal 2022.

The next item is the advisory vote on executive compensation. We are seeking advisory shareholder approval of the compensation of our named executive officers, and the Board recommends a vote “For” this proposal.

The next item is a shareholder proposal by Mercy Investment Services, Inc. and co-filers. The full text of the proposal is set forth in the proxy statement. I understand that Lydia Kuykendal, a representative of the shareholder is here to present this proposal, and I would like to invite her to do so. I would ask that she limit the presentation to five minutes at most.

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**Lydia Kuykendal** – *Shareholder Representative*

Thank you, Mr. Gutierrez. I hereby move proposal for asking our Company to report on its state and federal lobbying expenditures, including indirect funding of lobbying through trade associations and social welfare groups.

The concern for investors is that although Disney has a large lobbying footprint, a complete picture of its spending to influence public policy, including payments to third-party groups and unreported grassroots lobbying is unavailable to shareholders. As a result, investors are asking for a commitment to corporate political responsibility by disclosing all dark-money payments to third-party groups that use that money to influence policy.

In fact, Disney does not even issue a comprehensive report of its own direct lobbying. That data is scattered among federal and state regulators and is difficult to obtain. What we do know is that Disney spent almost \$8 million dollars in 2020 and 2021 on federal lobbying activities and from 2010-2021, Disney reported spending over \$46 million on federal lobbying.



Additionally, there is incomplete disclosure about spending at the state level, where an expert has called finding this information “nearly impossible given the byzantine manner of how the data is captured and made available.” Yet, our Company has this information on hand and could easily provide it.

Also, Disney has a huge blind spot when it comes to trade associations and social welfare groups. Corporations regularly make payments to trade associations that are used to lobby indirectly on their behalf, without specific disclosure or accountability.

These associations spend hundreds of millions to lobby. For example, the US Chamber of Commerce has spent more than \$1.6 billion since 1998. Disney fails to disclose a cap limit for these trade association payments. All they have is a category for over \$500,000. We don’t know if that’s \$500,001 or \$10 million. In fact, recent disclosures by Exxon and Comcast, who have top payments to trade associations at over 10 million and 6 million respectively, illustrate that this spending can be very significant.

This lack of disclosure can also lead to lobbying misalignment, as-in the case of the US Chamber of Commerce. Disney signed an agreement to work with the United Nations Environment to combat and raise awareness around climate change. Yet, the Chamber continues to aggressively lobby against science-based targets designed to combat climate change. How much of Disney’s lobbying dollars are being used to defeat measures that would fight climate change? We have no way of knowing.

Disney also fails to disclose payments to 501(c)(4) social welfare organizations, which also lobby. For example: The Rule of Law Defense Fund is a social group that helped organize the protests before the riots at the Capital on January 6<sup>th</sup>. It is an arm of the Republican Attorney General Association. Does our Company make contributions to groups like the Rule of Law Defense Fund? We have no way to know because Disney fails to disclose its contributions to these organizations.



Disclosure transparency is a safety mechanism for our Company, its reputation, and therefore, its shareholders as what gets disclosed gets managed. Full disclosure of Disney's lobbying, including all third-party payments will ensure proper oversight for our Company's lobbying and I urge stockholders to vote "For" this proposal. Thank you.

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**Horacio Gutierrez** – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. The Board of Directors has recommended a vote against this proposal for the reasons set out in the proxy statement.

The next item is a shareholder proposal by Kenneth Steiner. The full text of the proposal is set forth in the proxy statement. I understand that John Chevedden is here to present this proposal, and I would like to invite him to do so. I would ask that he limit the presentation to five minutes at most.

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**John Chevedden** – *Shareholder Representative*

Hello, this is John Chevedden. Proposal 5, Special Shareholder Meeting Improvement.

Shareholders ask our Board to take the steps necessary to amend the Company governing documents that give the owners of 10% of our outstanding common stock the power to call a Special Shareholder Meeting.

It is important to vote for this proposal because it can now take more than half of Disney's shares to call a Special Shareholder Meeting to vote on a matter of urgency to Disney. Disney currently has one of the highest face-value stock ownership thresholds to call a Special Shareholder Meeting—25% of shares.

And it goes downhill from here. This 25% of shares translates into 38% of the Disney shares normally voted at our Annual Meeting. It would be hopeless to expect that Disney shareholders



who do not have the time to vote would go out of their way to take the special procedural steps to ask for a Special Shareholder Meeting.

On top of the high 25% stock ownership requirement that translates into 38% of shares that voted at our Annual Meeting, is the fact that all shares not held for one continuous year are totally disqualified from formally participating in the call for a Special Shareholder Meeting.

Thus, the shareholders who own 38% of shares held for one continuous year could determine that they hold 51% of shares that typically vote at the Annual Meeting, when their shares held for less than one continuous year are included.

In contrast to this current potential 51% stock ownership threshold to call for a Special Shareholder Meeting, we need the more reasonable stock ownership threshold called for in this proposal.

Special Meetings allow for shareholders to vote on important matters such as electing new directors with special expertise or independence that may be lacking in our current directors, as was the case with the three new Exxon directors supported by the Engine Number One hedge fund in 2021.

Our management is best served by providing the means for 10% of shareholders who might have special expertise to bring emerging opportunities or solutions to the problems to the attention of Disney management and to all Disney shareholders. Shareholder engagement can be a toothless way to introduce new ideas to management.

Disney management could abruptly discontinue or drastically restructure any shareholder engagement if it fails to give mostly cheerleading support to management. It is important to improve the current highly restrictive rules for shareholders to call a Special Shareholder





Meeting to give Disney's shareholders a viable option if Disney management simply goes through the motions of their shareholder engagement.

There are no bylaw provisions that guarantee that Disney management will give shareholder engagement a certain minimum level of respect. Thus, Management has great latitude in ignoring shareholder engagement.

This proposal will strengthen Management's professed commitment to shareholder engagement for the benefit of Disney shareholders. Please vote "Yes" Special Shareholder Meeting Improvement, Proposal 5.

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**Horacio Gutierrez** – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. The Board of Directors has recommended a vote against this proposal for the reasons set out in the proxy statement.

The next item is a shareholder proposal by National Legal and Policy Center. The full text of the proposal is set forth in the proxy statement. I understand that Paul Chesser is here to present this proposal, and I would like to invite him to do so. I would ask that he limit the presentation to five minutes at most.

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**Paul Chesser** – *Shareholder Representative*

Thank you, Mr. Gutierrez.

National Legal and Policy Center promotes ethics in public life through research, investigation, education, and legal action and is the sponsor of the Corporate Integrity Project.

An annual report on due diligence on human rights is all we're asking for from the Walt Disney Company, and we ask our fellow shareholders to support our resolution. But Disney's Board of Directors says that's a waste of the Company's time and money.



This multi-billion-dollar corporation fritters away millions of dollars of the Company's resources on social justice initiatives with things like erasing symbols of our nation's history, forcing abusive racial training programs on employees, and adding content warnings to classic films like *Dumbo* and *Fantasia*.

Disney's Board thinks the Company has plenty of time and money for things like that. But do you know what else Disney has the time and money for? They have the time and money to film *Mulan* in the part of Communist China with among the most disgusting and egregious human rights violations in the world in Xingjiang. Forced abortions, slavery, torture, and genocide are among the reported atrocities conducted under the authoritarian government, against the Muslim minority Uighurs of Northwest China.

The degree of evil in this region is so bad that you cannot trust anything that is produced there because of the forced labor practices that are going on. You can't trust the cotton, the sugar, the assembled products — anything that comes out of that region. And it's not just me saying that, it's the human rights groups that are saying that.

And it's also top members of Congress from both political parties who say that. The Democratic Chairman of the Special Joint Committee on China in Congress confirmed to Disney's ESPN recently that, yes, "it is a genocide".

But rather than avoid Xinjiang's abusive government that manages the region, Disney instead films *Mulan* there and then thanks the local authorities for their help in the film's credits. So, when the rest of the corporate responsible world is running away from the stigma of slavery, Disney is praising the local Communists.

Meanwhile, Disney executives say they will not release any new films in Russia due to Vladimir Putin's aggression against the Ukraine. Since when do ESG principles mean you get to support



genocidal regimes in Asia, but you must oppose colonial war-mongering in Europe? It seems like cognitive dissonance to me.

But again, as the Board says in this year's proxy, they just don't have the time and money to be accountable for this stuff. What other priorities besides *Mulan* has the Company made time and money for? They so badly wanted a Disney resort in Shanghai that the Company gave majority ownership of the theme park to a Chinese government-controlled company.

And Disney's leadership also thinks it's important for ESPN to be in business partnership with NBA China and Chinese broadcaster Tencent despite those entities' well-known censorship practices. And Disney executives make sure that their Chinese government partners stay happy by self-censoring episodes of *The Simpsons* and movies like *Dr. Strange*. No need to upset dictator Xi Jinping.

Still Disney's Board of Directors says our shareholder resolution asking for a human rights report is a "misplaced premise". Disney's lawyers use lots of meaningless words like policies, practices, principles, and standards to make it appear like they're vigilant in doing something about human rights.

They even say they are "deeply committed to human rights". "Deeply committed" is a favorite phrase of corporate lawyers. Disney even says it reports documents like the United Nations Universal Declaration on Human Rights, but is this statement doing anything to China for its genocidal actions? Just because you say you're "for" something, doesn't mean you're doing anything about it.

Rather than all these empty statements and policies, National Legal Policy Center wants to know what Disney's actually doing conducting its business with China and other countries with poor human rights protections.



But all the Disney Board has to say for itself is that our proposal was a waste of their time, that they don't have enough resources to carry it out, and that they're already disclosing their human rights activities. Well, the Securities and Exchange Commission disagreed with Disney's Board, which is why this resolution is in this year's proxy statement.

We've asked our fellow shareholders at BlackRock and Vanguard to support our proposal, but they have given no indication whether they will do so. I guess their so-called ESG principles also have an exception clause for Communist China.

Nonetheless, we simply ask that Disney's leadership explain the human rights impact of their interactions with foreign governments and entities. If they can't bring themselves to do that, then the question we have for Disney executives is: what are you hiding? Thank you.

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**Horacio Gutierrez** – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. The Board of Directors has recommended a vote against this proposal for the reasons set out in the proxy statement.

The next item is a shareholder proposal by Anne Butterfield. The full text of the proposal is set forth in the proxy statement. I understand that Julia Cedarholm is here to present this proposal, and I would like to invite her to do so. I would ask that she limit the presentation to five minutes at most.

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**Julia Cedarholm** – *Shareholder Representative*

Good morning. My name is Julia Cedarholm from investment management firm Arjuna Capital and I move the Pay Equity Proposal asking for a report on median and adjusted racial and gender pay gaps as a means to address pay inequity.

Disney does not disclose adjusted or unadjusted median racial and gender pay gaps. Disclosure of these pay gaps is critical for Disney as it has faced multiple allegations of pay discrimination



in recent years. To adequately address employee and investor concerns, Disney is in need of a pay equity transparency called on by this proposal.

Pay inequity persists across race and gender and needs to be addressed by companies like Disney. Last year, Black workers' median earnings represented 64% of White wages and women's median earnings represented 83% of men's wages.

Actively managing pay equity is a business imperative, as it's associated with improved representation, superior stock performance, and higher return on equity.

Best practice pay equity reporting consists of two elements: statistically adjusted numbers and unadjusted median numbers. This proposal asks Disney to report on both.

Adjusted numbers, which assess pay between minorities and non-minorities and men and women performing similar roles are increasingly becoming a standard disclosure for large US companies, yet full transparency also includes publishing median pay-gaps, which address the structural racism and sexism that relegate people of color and women into low-paying job categories.

Narrowing median pay gaps requires a comprehensive evaluation of hiring, development, and promotion practices. These gaps provide distinct value from representation data alone as they show, quite literally, how the Company assigns value to its employees for the roles they inhabit and the pay they receive. They also provide a digestible data point for investors to assess how the Company stacks up to peers and makes progress over time. Bridging these gaps is in service to greater diversity, talent retention, and performance.

Disney already reports the median gender pay gap for its UK operations, reflecting a 12% base gender pay gap and a 25% gender bonus pay gap. But it has declined to publish data beyond the UK.



Companies that are comfortable publishing both adjusted and median pay data including Starbucks, Citi Group, Adobe, Pfizer, MasterCard, and recently Microsoft are showing leadership. By disclosing these statistics, they are providing a new standard for accountability, transparency, and performance.

I am disappointed to say that Disney is not one of those companies and I am surprised that given where we are as a country, with the pay divides that have been exacerbated by the pandemic and the protests to uphold Black lives, that the Company is fighting this simple and reasonable request.

Thank you for your support of transparent, wholesome, and honest pay equity accounting.

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**Horacio Gutierrez** – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. The Board of Directors has recommended a vote against this proposal for the reasons set out in the proxy statement.

The next item is a shareholder proposal by National Center for Public Policy Research. The full text of the proposal is set forth in the proxy statement. I understand that Justin Danhof is here to present this proposal, and I would like to invite him to do so. I would ask that he limit the presentation to five minutes at most.

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**Justin Danhof** – *Shareholder Representative*

I'm Justin Danhof of the National Center for Public Policy Research and I move Proposal #8 which seeks to protect Disney from a myriad of legal and reputational risks stemming from its race-based employee training program.

But first, I have a question: Was Whoopi Goldberg required to attend Disney's so-called anti-racism training? If so, that may explain a lot about her completely warped views on race, the culture at Disney, and the damaging effects of Critical Race Theory on our culture generally.



Critical Race Theory, or CRT debases human existence by reducing it to a singular element that no one can control — their skin tone. This absolutely racist teaching focuses on so-called “white privilege” being at the root of everything in society and insists that white people are always the oppressor and everyone else in society is oppressed to one degree or another.

Brainwashing like this leads to the illogical conclusion of folks such as Goldberg that Jews are white and therefore incapable of being victims of racism. CRT has so distorted belief that supposedly-educated people are given nationwide platforms to declare that the Holocaust was not about race. That’s of course, insane. Hitler would be shocked to know that his entire Nazi effort was about something other than race. But CRT doesn’t teach history. It teaches racial histrionics rooted in Marxist philosophy. Given all this, why would Disney subject its employees to CRT trainings?

Last May, it was reported that Disney subjected its staff to something called “Reimagine Tomorrow: Where We All Belong”. In this exercise, among other degrading tasks, participants had to fill out a white privilege checklist and were asked how they could pivot away from white dominant culture.

The program culminated with a 21-day challenge for employees to reflect on being “raised in a society that elevates white culture over others”. Surely us shareholders have a right to see Mr. Chapek’s white privilege checklist, don’t we? His skin tone must be the only reason he’s at the top of the Company, right? And we should also have a look at Ms. Arnold’s 21-day reflection on American society’s elevation of white culture over others.

When you say these things out loud, can you all understand how absurd this sounds? And when Disney and other companies team up with the far Left to promote CRT and pretend that America is irreparably and systematically racist, it is doing the bidding of the Chinese Communist Party.



The CCP commits actual human rights abuses by running slave labor camps where it harvests organs and rapes and sterilizes women of the minority Muslim Uighurs. Yet, when our State Department and others report on this, the CCP simply responds that the United States is no better, since it oppresses black and brown populations.

Disney is giving air-cover to slave labor. Full stop. The Company's hypocrisy on these issues is so profound. In fact, it would be impressive if it weren't also so tragic. Shareholders and the public can also be forgiven for seeing the hypocrisy in the Company's recent decision to pull its films from Russia. Yes, Russia's actions and Vladimir Putin's actions in the Ukraine are evil, but so is the CCP.

And Disney is mum on human rights issues in China where it has more business at stake. In fact, you know what? If America is such an awful and systematically racist country, perhaps you should pull your films from the United States as well. Or, at a minimum, stop subjecting your employees to racist and Marxist trainings. That would be a good start.

Please join me in voting "Yes" on Proposal #8. Thank you.

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**Horacio Gutierrez** – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. The Board of Directors has recommended a vote against this proposal for the reasons set out in the proxy statement.

The polls will now close, and I would ask the Inspector of Election to give us her report based on proxies received by the opening of the polls at today's meeting.

Inspector, may we have your preliminary report?





**Belinda Massafra** – *Representative, Broadridge*

Thank you, Mr. Gutierrez. For item 1, the election of directors, we have received proxies voting for each director representing at least 94% of the votes cast.

For item 2, ratification of the appointment of PricewaterhouseCoopers, we have received proxies for 95% of shares voting to approve the appointment.

For item 3, relating to executive compensation, we have received proxies for 84% of shares voting to approve the resolution, 15% of voting against the resolution and less than 1% abstaining.

For item 4, relating to lobbying disclosure, we have received proxies for 32% of shares voting to approve the proposal, 63% voting against the proposal and less than 5% abstaining.

For item 5, relating to special meeting threshold, we have received proxies for 39% of shares voting to approve the proposal, 60% of voting against the proposal and less than 1% abstaining.

For item 6, relating to a diligence report evaluating human rights impacts, we have received proxies for 34% of shares voting to approve the proposal, 60% voting against the proposal and less than 6% abstaining.

For item 7, relating to report on median and adjusted pay gaps, we have received proxies for 59% of shares voting to approve the proposal, 40% voting against the proposal and less than 1% abstaining.

For item 8, relating to workplace non-discrimination audit and report, we have received proxies for 2% of shares voting to approve the proposal, 96% voting against the proposal and less than 2% abstaining.



That concludes my report, Mr. Gutierrez.

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**Horacio Gutierrez** – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you.

Based on that report, and subject to the counting of ballots presented at the meeting and final confirmation of voting results by the Inspector of Election, I declare that all of the nominees for election for the Board have been duly elected, that the appointment of PricewaterhouseCoopers has been duly ratified, that the advisory resolution on executive compensation is approved, the first shareholder proposal is not approved; the second shareholder proposal is not approved; the third shareholder proposal is not approved; the fourth shareholder proposal is approved; and the fifth shareholder proposal is not approved.

The final vote results will be included in the Form 8-K that will be filed within four business days after this meeting.

That concludes the business portion of the meeting, which is now adjourned.

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**Bob Chapek** – *Chief Executive Officer, The Walt Disney Company*

Hello, everyone. As you just saw, it's been an amazing year for our company, and there's a lot more magic on the horizon.

We have the most creative storytellers, an unparalleled collection of brands and franchises, and a unique ability to form deep emotional connections with our audiences and guests.

We have an unrivaled portfolio of distribution platforms, including our popular streaming services. By the way, all of the movies and TV shows that you just saw will be available on Disney+, ESPN+, Hulu or Star.



We have the country's #1 news organization with ABC, and the most trusted brand in sports programming in ESPN.

And our theme parks continue to be the most magical places on earth.

But without question, the key to our success is our people. They are the best in the world and we could not be more proud of them. I'll say more about our incredible team in a few minutes.

But, first, I want to talk about this unique moment in the history of The Walt Disney Company. This year, we've been extraordinarily busy building, growing, learning, innovating – as we set the stage for our *second* century. And as we approach Disney's 100<sup>th</sup> anniversary, we could not be more excited about our future, and can't wait to share with you some of the amazing things we're working on.

It's hard to believe more than two years have passed since I became CEO. And while we and the rest of the world have faced many challenges during this time, I am incredibly pleased with what we've accomplished, and I'm confident that we are well-positioned to capitalize on the tremendous opportunities that lie before us.

In the last several months we've undergone a significant leadership transition, welcoming Horacio as our General Counsel, Paul Richardson as our Chief Human Resources Officer, Geoff Morrell as our Chief Corporate Affairs Officer, and Alexia Quadrani as head of Investor Relations.

All of them come with tremendous experience and are highly respected in their fields, and we're thrilled to have them as part of our leadership team.

As you know, Bob Iger retired at the end of December after a remarkable 47-year career at Disney, including 15 years as CEO and the last two as Executive Chairman. He took this company to amazing heights, and we continue to build on his strong legacy.



Susan Arnold, formerly our experienced independent Lead Director, became Chairman of the board in December. We are enormously grateful for her leadership and support, as well as that of our other talented and accomplished Directors.

As I told our team at the beginning of the year, all of our company's actions will be guided by three strategic pillars: Storytelling Excellence, Innovation, and Audience Focus.

Storytelling is at the heart of *everything* we do, and our relentless pursuit of innovation enables us to tell our stories in exciting new ways.

And our audiences and guests are always our North Star. We let them be our guide.

That's why we've reimagined our parks by infusing more storytelling into every aspect of them, and by giving Guests new ways to personalize their visits so they can experience Disney their way.

That's also why we strategically realigned our media and entertainment businesses in late 2020 to enable us create the content consumers want most, and deliver it in the ways they prefer.

As we all know, the ways people experience entertainment are changing faster than ever, and companies have to be flexible and willing to embrace disruption and innovation if they want to continue to be relevant. And that's just what we are doing.

Our success is evident in the growth of our streaming services, which had more than 196 million total subscriptions, including nearly 12 million new Disney+ subscribers as of the end of fiscal Q1.



We continue to launch Disney+ and Disney+ Hotstar in new markets around the globe. The service is now available in more than 60 countries worldwide, and we will expand into additional parts of Europe, as well as areas of the Middle East and Africa this summer.

Of course, the *foundation* of our strategy is great storytelling, and we have lots of it.

This past year, we explored new areas of the Marvel Cinematic Universe with hit original series like *WandaVision*, *Loki*, and *Hawkeye*, as well as the outer reaches of that galaxy far, far away with *Star Wars' The Book of Boba Fett*.

We introduced the MCU's first Asian leading superhero in the critically acclaimed film *Shang-Chi and the Legend of the Ten Rings*.

We thrilled audiences of all ages with enchanting new characters and stories in our three Oscar-nominated animated feature films: Pixar's *Luca*, Disney Animation's *Raya and the Last Dragon*, and our newest franchise, *Encanto*.

People everywhere loved the movie and the music. The soundtrack and its breakout hit, "We Don't Talk About Bruno," continue to dominate the Billboard charts.

The film has become a true cultural phenomenon. Let's take a look...

[VIDEO]

We also demonstrated the breadth of our storytellers' extraordinary creativity with two Academy Award Best Picture nominees: Searchlight's *Nightmare Alley* and 20th Century's *West Side Story*.



In total our studios received 23 Oscar nominations, and a host of other recognitions, testament to the unsurpassed quality of the content created by our exceptional teams.

We're really excited about the full slate of feature films coming this year as well.

Premiering on Disney+ on Friday is Pixar's charming new animated feature *Turning Red* about a teenage girl who turns into a giant red panda anytime she gets excited or nervous.

On June 17<sup>th</sup>, we'll see the release of Pixar's *Lightyear*, a spin-off of the beloved *Toy Story* franchise, revealing the origin story of everyone's favorite Space Ranger.

And from Marvel Studios, we have the highly anticipated feature, *Doctor Strange in the Multiverse of Madness*, which premieres in theaters on May 6, with an extraordinary cast led by Benedict Cumberbatch.

This film really pushes the boundaries of storytelling and connects pieces of the Marvel Cinematic Universe in unexpected ways. I can't wait for you to see it – along with *Thor: Love and Thunder*, set for release in theaters on July 8. Chris Hemsworth returns as the God of Thunder, and we'll learn what he's been up to since the events of *Avengers: Endgame*.

We're also looking forward to the live-action reimagining of the Disney classic *Pinocchio*, starring Tom Hanks as Gepetto, coming to Disney+ later this year.

And, in December, we'll be welcoming audiences back to Pandora with the next *Avatar* movie. The first film remains the highest grossing movie of all time at the global box office, and Jim Cameron and his team have been hard at work for nearly a decade creating the next generation of *Avatar* storytelling.



This film promises to be worth the wait, and a creative experience unlike anything audiences have seen before.

We also have some amazing new series coming to Disney+.

This includes three new Marvel series, beginning with *Moon Knight*, a mysterious and suspenseful story starring Oscar Isaac and Ethan Hawke, set to premiere on March 30. Followed by *Ms. Marvel*, featuring the MCU's first Muslim superhero, Kamala Khan, a 16-year-old Pakistani-American growing up in Jersey City. And, later this year, *She-Hulk*, which takes a closer look at one of the most beloved – and humorous – superheroes of the MCU.

We've also got a brand-new *Cars* series from Pixar, as well as the first animated series from Walt Disney Animation Studios, which is based on the movie *Big Hero 6*.

And two new *Star Wars* series: *Andor*, a prequel to the hit film *Rogue One*, and *Obi-Wan Kenobi*, featuring the long-awaited return of Ewan McGregor and Hayden Christensen to the *Star Wars* galaxy. The series premieres on May 25. And today I have a special treat for you – the first, never-before-seen trailer. Enjoy.

[VIDEO]

Our General Entertainment teams continue to deliver hit shows that are hugely popular with audiences, shows such as long-running fan-favorites *The Simpsons*, *Grey's Anatomy*, and *Black-ish*, as well as more recent hits like *Abbott Elementary*, *Only Murders in the Building*, and National Geographic's *Welcome To Earth*.

General Entertainment is an increasingly powerful driver in most of our international markets as well, under the Star Brand.



We recently established a new hub for international content creation to meet the growing demand and have been ramping up production of local and regional content in particular with more than 340 titles already underway.

Needless to say, we see tremendous opportunity in General Entertainment and plan to integrate more of it across our streaming platforms.

Among the exciting new series in the works are: *American Born Chinese* starring *Shang-Chi and The Legend of the Ten Rings'* Michelle Yeoh and director Destin Daniel Cretton, *National Treasure*, an expansion of the hit movie franchise executive produced by the films' producer Jerry Bruckheimer and starring Oscar winner Catherine Zeta-Jones, *Old Man*, the fantastic new drama series on FX on Hulu based on the bestselling novel of the same name and starring legendary actor Jeff Bridges.

And, premiering on April 22<sup>nd</sup> is a brand new National Geographic Earth Day special, *Explorer: The Last Tepui*, which follows a team of elite climbers including Alex Honnold of the Oscar-winning *Free Solo* on a grueling mission into the Amazon jungle.

Speaking of world-class athleticism, we are proud to be the home of the most trusted brand for following sports.

It's no wonder sports continue to be the most powerful draw in television, accounting for 95 of the 100 most-watched live broadcasts in 2021.

In addition to live sports, we consistently deliver even more of the high-quality studio programming and original content that sports fans enjoy.

One of our biggest hits this past year was the megacast *Monday Night Football with Peyton and Eli*, which aired on multiple platforms. And we are super excited about our expanded agreement





with Peyton Manning and his Omaha Productions company, and can't wait for similar megacasts featuring other sports such as the College Football Playoff National Championship, the UFC, and PGA golf.

We also have lots more incredible original programming coming, including a fantastic multi-part docuseries, *The Captain*, about Hall of Fame New York Yankees shortstop Derek Jeter.

Meanwhile, ESPN just launched a rebranded and expanded version of their popular digital hub The Undefeated called "Andscape," which will serve as a 24/7 multi-platform media venture dedicated to embracing and sharing Black culture and identity. We are so proud of this new platform.

We recognize how passionate sports fans are and we're always looking for new ways to connect them with players through increasingly immersive and personalized experiences. That's the driving force behind our efforts in sports betting, gaming, and the metaverse.

In fact, that's what excites us: the opportunity to transform sports broadcasting into an entire ecosystem – a multi-dimensional, interactive, lean-forward experience where fans can feel like they are more than just remote spectators, but rather part of the action.

Of course, making our guests feel part of the action is what we have always done at our theme parks.

And as we continue to recover from the pandemic, our guests have shown they crave our new guest-centric approach to making each individual's Disney experience more unique and more magical than ever before.

This past quarter, our domestic parks and resorts achieved all-time revenue and operating income records, despite the Omicron surge. We're confident the transformative changes that



we've made in our parks during the pandemic will continue to propel the business forward in the years ahead.

And we're excited to be bringing even more one-of-a-kind experiences to guests in the coming months and years.

The highly anticipated *Star Wars: Galactic Starcruiser* at Walt Disney World made its inaugural voyage last week and the response from guests has been absolutely fantastic. I was just in Orlando and experienced the Starcruiser for myself, and it was indescribable.

It's probably the best example yet of the types of fully immersive and personalized experiences we intend to create for our guests. For two days they live, breathe, eat, and sleep their very own Star Wars story.

Speaking of fully immersive experiences, a couple of weeks ago I joined a group of our Cast Members on a test ride of Epcot's thrilling new indoor coaster, *Guardians of the Galaxy: Cosmic Rewind*, set to open this summer.

This fantastic new attraction is part of our ongoing multi-year transformation of Epcot, and it is truly out of this world. It is one of the longest indoor coasters anywhere, rotating 360 degrees so you can catch all the action, and it features the first-ever reverse launch on a coaster in Disney history. I can't wait for you to experience it for yourselves.

Looking across our parks, construction progresses on TRON Lightcycle Run, one of Walt Disney World's most anticipated attractions.

And, at Disneyland, the refurbishment of Mickey's Toontown is well underway. When it reopens in early 2023, this newly reimagined land will be home to Mickey and Minnie's Runaway Railway, which is already a huge hit at Disney World's Hollywood Studios.



At Disneyland Paris, we're getting ready to open Avengers Campus this summer, and we were excited to see the install of the Quinjet a few weeks ago.

We're also continuing to welcome guests to our reimagined Marvel-themed hotel. And the feedback has been phenomenal.

Meanwhile, work is ongoing on the first-ever *Zootopia*-themed land at Shanghai Disneyland, and on the new *Frozen*-themed land at Hong Kong Disneyland.

And we're very excited for the upcoming launch of our newest ship, the Disney *Wish*, which will set sail on its inaugural voyage this summer. A few weeks ago, we marked a big milestone with the ship's float out ceremony, where it emerged from the shipyard hangar for the first time. And a truly magical experience will await guests inside.

Last month we announced plans to develop residential communities in cities across America, beginning here in California with our new offering, Storyliving by Disney. Our extraordinary Imagineers will help design these one-of-a-kind communities where residents, including active adults, will have access to a host of amenities, such as Disney-branded entertainment and activities.

Storyliving by Disney is another great example of how we're always looking for ways to further connect with our fans, where they are. And consumer interest in this new project has been overwhelming.

Certainly none of these magical experiences would exist if it weren't for the outstanding Cast Members who bring them to life every day for our guests. Our Cast is what makes Disney truly special.

[VIDEO]



As our Disney team embarks on the company's second century, I am more excited than ever to see what we will create together in the years ahead.

The chance to connect our digital and physical worlds and offer an entirely new paradigm for how audiences experience and engage with our stories is particularly thrilling.

This is next generation storytelling done in a way only Disney can. And it presents an extraordinary opportunity for our storytellers to tell their stories in even more creative ways.

As we imagine a world where physical and digital experiences come together across all aspects of our business from entertainment to sports, our teams of technologists, Imagineers, and storytellers have the opportunity to dream in another dimension.

Certainly we are in the very early stages of this long-term project. But as we've shown repeatedly throughout our company's storied history, when you combine Disney's great storytelling with cutting-edge technology, you create experiences that cannot be found anywhere else in the world.

At Disney, making a meaningful difference in our world and in our communities is part of our DNA.

Two weeks ago, we released our 2021 Corporate Social Responsibility Report and launched a new CSR website, both of which detail our efforts in the areas of diversity, equity, and inclusion, environmental sustainability, corporate governance, and charitable giving.

We also introduced our new social responsibility mission to inspire a better world through the power of stories.



A world of belonging where each person feels seen, heard, and understood through our diversity, equity and inclusion work.

A world in balance where people and nature thrive through the actions we take to support environmental sustainability and conservation.

A world filled with hope and promise through charitable giving to our communities with a particular focus on supporting children and families in need.

This past year we made progress on all of these priorities. We championed underrepresented voices through our iconic content. We further diversified our workforce behind the scenes, including in our senior ranks. We also made meaningful new investments in renewable energy and conservation. And we supported our communities with nearly \$300 million in charitable giving.

What we stand for as a company matters. And soon, we will be sharing our updated corporate values with our employees and Cast Members around the world. One of those important values is Inclusivity, which has been a key area of focus for us in recent years, and it will remain a priority.

Last year, we launched a company-wide initiative, Reimagine Tomorrow, with the goal to advance opportunities for diverse communities, amplify underrepresented voices, and champion the importance of representation in media and entertainment.

I'm pleased to say that Reimagine Tomorrow and a host of other initiatives company-wide are having a positive impact, increasing awareness and facilitating constructive dialogue.

At Disney, we are proud to be one of the most admired and beloved companies in the world, and first and foremost, that is a reflection of our people.



Our Cast Members and employees are what make the Disney Difference, and we are enormously grateful to them for their commitment, hard work, and heart. They inspire me every single day.

And their well-being and aspirations are always foremost in our efforts. We will continue to support them in meaningful, personalized ways with offerings that include competitive pay and comprehensive benefits such as family leave and childcare programs, as well as access to higher education for our hourly Cast Members through our Disney Aspire program, and other educational and career opportunities for our salaried employees.

To date, more than 20,000 Cast Members have enrolled in Aspire and we are so thrilled to support them in pursuing their dreams.

In fact, just a couple of weeks ago at Walt Disney World, I reconnected with a Cast Member I first met when he began his Aspire journey three years ago.

And today, he's in management and leads a team at *Star Wars: Galaxy's Edge*. And just as exciting, his father, who is also a Cast Member, has now enrolled in Aspire and is finishing his own degree. That's the amazing power of this program.

We also offer extraordinary opportunities for college students and recent graduates at our parks and other locations worldwide – and many of them have gone on to pursue rewarding careers with our company. This year some 20,000 young people will participate in this enriching experience.

As Susan said, we recognize that our success as a company is about more than just our business results, it's just as important that we be a great employer providing a workplace where all employees feel welcomed and supported as well as being a great partner in our communities. This is truly core to who we are as a company.



Now, I know I've talked a lot today, but there are so many incredible things going on across our company and as you can tell, I'm very excited and love to talk about them – especially about our amazing people.

Because of our employees and Cast Members, we are wrapping up our first century in an incredible position of strength.

And we are beginning our next century well-positioned for continued success.

If we stay true to our strategic pillars – Storytelling Excellence, Innovation, and Audience Focus, and if we keep embracing disruption, while striving to deliver even more immersive and personalized experiences for our audiences and guests, I have confidence Disney is going to remain the world's leading entertainment company for decades to come.

As Walt himself said: “We can ill afford to rest on our laurels, even to pause in retrospect. Times and conditions change so rapidly that we must keep our aim constantly focused on the future.”

We appreciate how truly lucky we are to be a part of such an extraordinary team, one with a singular mission to bring joy, happiness, and optimism to people all over the world.

We do this in a way only Disney can. And certainly we could not do it without your continued support and enthusiasm. Thank you, all.

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**Operator**

Thank you, Mr. Chapek. (Operator Instructions).



**Bob Chapek** – *Chief Executive Officer, The Walt Disney Company*

Before we get to the shareholder questions, I'd like to take a moment to address some concerns that I've heard from many about the legislation impacting the LGBTQ+ community in Florida.

While we've been strong supporters of the community for decades, I know that many are upset that we did not speak out against the bill.

Now, we were opposed to the bill from the outset, but we chose not to take a public position on it because we thought we could be more effective working behind-the-scenes, engaging directly with lawmakers — on both sides of the aisle.

And we were hopeful that our longstanding relationships with those lawmakers would enable us to achieve a better outcome. But, despite weeks of effort, we were ultimately unsuccessful.

I called Governor DeSantis this morning to express our disappointment and concern that if the legislation becomes law, it could be used to unfairly target gay, lesbian, non-binary, and transgender kids and families.

The Governor heard our concerns and agreed to meet with me and LGBTQ+ members of our senior team in Florida to discuss ways to address them.

Certainly, the outcome in Florida was not what many of us were hoping for, especially our LGBTQ+ employees.

And, unfortunately, legislation targeting their communities is being considered in many other states, which means this fight will go on.





So today, we are signing the Human Rights Campaign's statement opposing such legislative efforts around the country and pledging \$5 million towards organizations, including the HRC, working to protect LGBTQ+ rights.

As I wrote to our employees earlier this week, we are committed to supporting community organizations like these, so they are better equipped to take on these fights.

Meanwhile, we are also reassessing our approach to advocacy, including political giving in Florida and beyond.

I understand our original approach, no matter how well intended, didn't quite get the job done.

But we are committed to support the community going forward.

**Forward-Looking Statements**

Certain statements in this discussion may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company’s future performance; business prospects; plans; ambitions; strategy or priorities; opportunities; growth and performance strategies and drivers; direct-to-consumer expansion, including international expansion; consumer demand and behavior; content offerings and opportunities; new and returning attractions, experiences, cruise ships and developments; workforce matters; and other statements that are not historical in nature. These statements are made on the basis of management’s views and assumptions regarding future events and business performance as of the time the statements are made. Management does not undertake any obligation to update these statements. Actual results may differ materially from those expressed or implied. Such differences may result from actions taken by the Company, including business decisions, as well as from developments beyond the Company’s control, including: further changes in domestic and global economic conditions; changes in or pressures from competitive conditions and consumer preferences or demand; health concerns and their impact on our businesses and productions, including COVID-19; international, regulatory, political, or military developments; technological developments; labor markets and activities; adverse weather conditions or natural disasters; legal or regulatory changes; the advertising market for programming; and timing, availability and performance of content; each of which may impact our operations, business plans or profitability. Additional factors are set forth in the Company’s Annual Report on Form 10-K for the year ended October 2, 2021 under Item 1A, “Risk Factors,” Item 7, “Management’s Discussion and Analysis,” Item 1, “Business,” and subsequent filings with the Securities and Exchange Commission.