

U.S. Political Activity & Public Policy Report 2014

Best Buy Co., Inc.

2014

Best Buy engages in the political process by developing and advocating public policy positions that directly impact our employees, customers, shareholders and communities. As a commitment to transparency, Best Buy discloses our efforts and priorities and any use of corporate funds for political purposes.





Introduction

This report describes the company's primary methods of advocacy and political giving, including contributions made to political candidates and organizations in the United States. This report also provides an overview of the criteria and procedures that Best Buy follows when determining how to allocate funding to candidates, political parties or political organizations; ballot campaign initiatives; independent expenditures; and any broadcast ads mentioning a candidate (electioneering communications) on behalf of a federal, state or local candidate. Best Buy maintains a separate political activity and government affairs policy for employees to ensure compliance with our own requirements and those required by law. This report and the Best Buy Political Activity & Government Affairs Policy are reviewed annually by the **Nominating, Corporate Governance and Public Policy Committee of the Best Buy Board of Directors.**

Corporate Funding in Support of Candidates & Issues

As allowed by law, Best Buy may provide corporate funding to candidates and/or issue campaigns that align with the company's business objectives and public policy goals. Best Buy complies with all federal, state and local laws concerning contributions of corporate funds to political candidates and ballot initiatives.

Best Buy did not make any political contributions directly to candidates in 2014.

Contributions Steering Committee:

The Contributions Steering Committee, comprised of five senior executives – including a representative from the Best Buy Legal Department, a representative of Best Buy Retail and three other leaders, meets quarterly, or as needed, to review and approve corporate funding for contributions over \$5,000 pertaining to:

- **Candidates, political parties or political organizations;**
- **Ballot campaign initiatives;**
- **Independent expenditures;**
- **Any electioneering communications on behalf of a federal, state or local candidate.**

Selection Criteria:

All candidates and issue campaigns must meet several criteria before Best Buy will consider contributing corporate funds. The Contributions Steering Committee evaluates the following criteria when considering potential recipients of corporate funds:

- Business impact – including the interests of the company, employees, shareholders and customers
- Public policy goals – including the recipient's ability to positively impact one or more of the Best Buy policy priorities
- Alignment with Best Buy core values





For more information, please see [The Best Buy Political Activity & Government Affairs Policy](#).

Political Contributions in 2014

Best Buy did not make any political contributions directly to candidates in 2014. In connection with Best Buy selection criteria, the company may decide to provide financial support to certain candidates as allowed by law.

The organizations below received funding from Best Buy in 2014. Depending on their individual missions and tax classification under the Internal Revenue Code, such organizations may lobby and/or educate the public on issues of public importance or participate in election campaigns for government offices or political organizations. The Internal Revenue Service (IRS) may require these organizations to file periodic reports concerning their activity, which can be located on the IRS website.

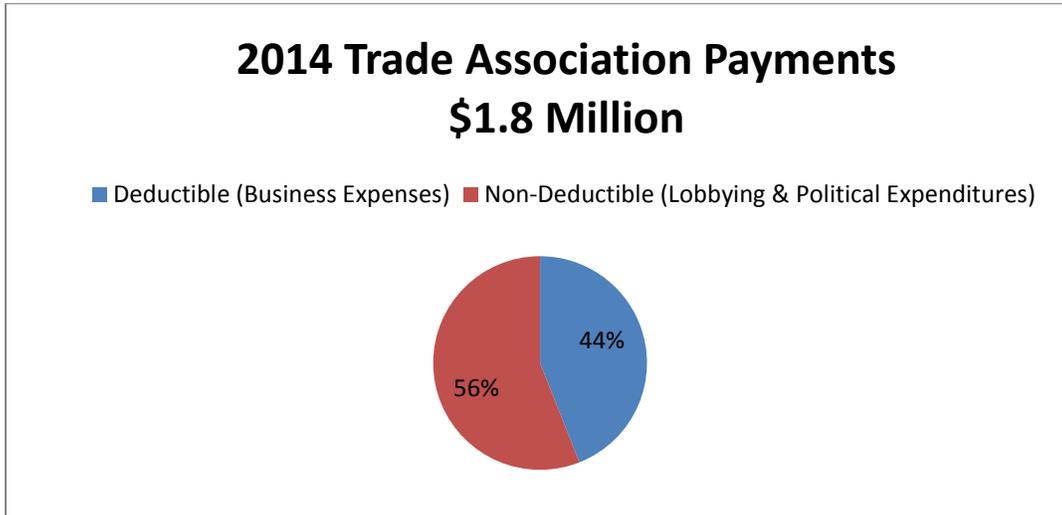
Organization	Amount
Democratic Governors Association	\$75,000
Democratic Attorneys General Association	\$25,000
Democratic Legislative Campaign Committee	\$30,000
Republican Governors Association	\$75,000
Republican Attorneys General Association	\$25,000
Republican Legislative Campaign Committee	\$30,000





Trade Organizations

Best Buy belongs to nonpartisan trade organizations that support and lobby on behalf of various public policy initiatives. Best Buy discloses annually the total amount paid in membership dues to major trade organizations and the percentage of those dues that are considered non-deductible lobbying/political expenditures. Best Buy monitors the use of dues or payments to trade associations and other organizations to ensure consistency with the company's stated policies, practices, values and long-term interests.



The following is a list of major trade organizations to which Best Buy paid dues in 2014:

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| Alabama Retail Association | Kentucky Retail Federation | Retail Association of Mississippi |
| Alliance of Wisconsin Retailers | Louisiana Retailers Association | Retail Association of Nevada |
| Arizona Retailers Association | Maine Merchants Association | Retail Council of New York State |
| Arkansas Grocers/Retail Merchants Association | Maryland Retailers Association | Retail Industry Leaders Association (RILA) |
| Associated Oregon Industries Retail Council | Michigan Retailers Association | Retail Merchants Association of New Hampshire |
| California Business Properties, Inc. | Minnesota Business Partnership | Retail Merchants of Hawaii |
| California Chamber of Commerce | Minnesota Center for Fiscal Excellence | Retailers Association of Massachusetts |
| California Retailers Association | Minnesota Chamber of Commerce | Rhode Island Retail Federation |
| Colorado Retail Council | Minnesota High Tech Association | Richfield (MN) Chamber of Commerce |
| Connecticut Retail Merchants Association | Minnesota Retailers Association | Service Contract Industry Council |
| Consumer Electronics Association | Missouri Retailers Association | South Carolina Retail Association |
| Council of State Retail Associations | Montana Retail Association | South Dakota Retailers |
| Council on State Taxation | Nebraska Retail Federation | State Government Affairs Council |
| Delaware Retail Council | New Jersey Retail Merchants Association | Tennessee Retail Association |
| Entertainment Merchants Association | New Mexico Retail Association | Texas Retailers Association |
| Florida Chamber of Commerce | New York Metropolitan Retailers | The Kansas Chamber |
| Florida Retail Federation | North Carolina Retail Merchants Association | The State Chamber of Oklahoma |
| Georgia Retail Association | North Dakota Retail Association | U.S. Chamber of Commerce |
| Idaho Retailers Association | Ohio Council of Retail Merchants | Utah Retail Merchants Association |
| Illinois Retail Merchants Association | Pennsylvania Retail Association | Vermont Retail Association |
| Indiana Retail Council | Retail Gift Card Association | Virginia Retail Merchants Association |
| International Council of Shopping Centers | | Washington Retail Association |
| Iowa Retail Federation | | West Virginia Retailers Association |
| | | Wyoming Retail Association |





Other Organizations

Best Buy works with a number of additional organizations, including non-profits that provide guidance and expertise on policy-related issues and practices. Some of these include:

- Business for Social Responsibility
- Ceres
- Council of Institutional Investors
- Electronic Industry Citizenship Coalition
- National Center for Electronics Recycling
- Public Affairs Council
- World Resources Institute

Best Buy Employee Political Forum (PAC)

The Best Buy PAC is a federally-registered non-partisan political action committee governed by the Federal Elections Campaign Act. The PAC allows eligible employees to pool their personal funds on a voluntary basis with other employees to help elect candidates who appreciate and understand the issues important to Best Buy and the retail industry. Members of the Best Buy Board of Directors are also invited to contribute personal funds to the Best Buy PAC.

The PAC is governed by a Board composed of a diverse group of Best Buy employees. The PAC Board has term limits on board members to allow additional opportunities for PAC members to participate in the review and approval of contributions and direction of the PAC.

Information related to The Best Buy Employee Political Forum (PAC), including all receipts and disbursements, is reported regularly to the Federal Election Commission and is available for public viewing by visiting www.fec.gov.

Best Buy Public Policy Priorities

Each year, under the direction and approval of the Vice President of Public Affairs, Best Buy develops public policy positions based on current issues that may have a direct impact on our business. The Government Affairs team manages these issues throughout the local, state and federal legislative sessions. Our quarterly federal lobbying reports can be viewed at http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm or <http://lobbyingdisclosure.house.gov/>.





In 2014, public policy priorities for Best Buy included:

E-fairness – Best Buy supports passage of e-fairness legislation, which would allow all retailers to compete on a level playing field while serving customers across all selling channels.

Financial Services —Access for consumers to affordable credit is critical to our customers and the growth of our business. Best Buy supports policies aimed at protecting critical credit offerings for consumers and reducing credit and debit card interchange fees.

Cybersecurity and Data Privacy – Customer and employee privacy and data security are essential to our customers, employees and the growth of our business. Best Buy is committed to safeguarding customer data and also ensuring a relationship with our customers that better understands and serves their needs and interests.

Supply Chain – Best Buy supports policies that help trade flow as freely as possible while promoting a safe and secure supply chain.

Connectivity – Best Buy strongly supports the goal of ensuring broadband availability and access to help expand educational opportunities and spur job creation and innovation.

Energy & Environment – Best Buy supports policies that promote the responsible recycling of electronic waste, address growing concerns related to climate change, and encourage energy efficiency in design and sale of products.

Additional Information

For questions related to this report or for additional information political policies maintained by Best Buy, please contact GovernmentRelations@bestbuy.com.

