

U.S.
Political
Activity &
Public
Policy
Report
2012

Best Buy Co., Inc.

2012

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 electioneering communications on behalf of a federal, state or local candidate. To assure compliance with Best Buy's own requirements and those required by law, Best Buy maintains a separate political activity and government relations policy for employees. This report and the Best Buy Political Activity & Government Relations 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.

Political Contributions Steering Committee:

The Political 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 Political 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





Political Contributions in 2012

Best Buy did not make any political contributions directly to candidates in 2012. 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 2012. 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 Attorneys General Association	\$25,000
Democratic Governors Association	\$50,000
Democratic Legislative Campaign Committee	\$25,000
Republican Governors Association	\$50,000
Republican State Leadership Committee	\$50,000

Trade Organizations

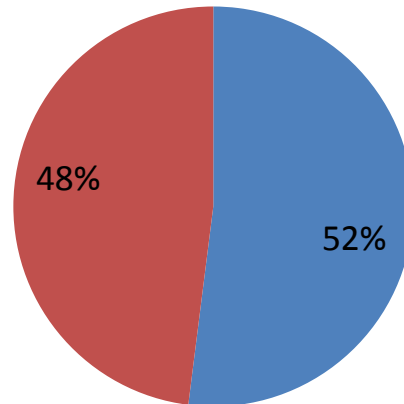
Best Buy belongs to numerous trade organizations that support and lobby on behalf various public policy initiatives. Best Buy discloses on an annual basis the total amount paid in membership dues to major trade organizations and the percentage of those dues that are considered non-deductible lobbying/political 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. Amount paid to major Trade Associations in 2012:





**2012 Trade Association payments
\$2.9 Million**

■ Deductible ■ Non-Deductible



The following is a list of major trade organizations to which Best Buy paid dues in 2012:

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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 Chamber of Commerce | Retailers Association of Massachusetts |
| California Retailers Association | Minnesota High Tech Association | Rhode Island Retail Federation |
| Colorado Retail Council | Minnesota Retailers Association | Richfield (MN) Chamber of Commerce |
| Connecticut Retail Merchants Association | Missouri Retailers Association | Service Contract Industry Council |
| Consumer Electronics Association | Montana Retail Association | South Carolina Retail Association |
| Consumer Electronics Retailers Coalition | National Association of Recording Merchants | South Dakota Retailers |
| Council of State Retail Associations | Nebraska Retail Federation | Tennessee Retail Association |
| Delaware Retail Council | New Jersey Retail Merchants Association | Texas Retailers Association |
| Direct Marketing Association | New Mexico Retail Association | The Kansas Chamber |
| Entertainment Merchants Association | New York Metropolitan Retailers | The State Chamber of Oklahoma |
| Florida Chamber of Commerce | North Carolina Retail Merchants Association | U.S. Chamber of Commerce |
| Florida Retail Federation | North Dakota Retail Association | U.S. China Business Council |
| Georgia Retail Association | Ohio Council of Retail Merchants | Utah Retail Merchants Association |
| Idaho Retailers Association | Pennsylvania Retail Association | Vermont Retail Association |
| Illinois Retail Merchants Association | Retail Gift Card Association | Virginia Retail Merchants Association |
| Indiana Retail Council | | Washington Retail Association |
| International Council of Shopping Centers | | West Virginia Retailers Association |
| Iowa Retail Federation | | Wyoming Retail Association |





Other Organizations

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

- Bipartisan Policy Center
- Business for Social Responsibility
- CERES
- Council of Institutional Investors
- Clinton Global Initiative
- Electronic Industry Citizenship Coalition (EICC)
- Public Affairs Council
- The Sustainability Consortium
- World Economic Forum

Best Buy Employee Political Forum (PAC)

The PAC is Best Buy's 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 to Congress who appreciate and understand the issues important to Best Buy and the retail industry.

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 Government Relations, the company develops public policy positions based on current issues that may have a direct impact on our business. The Government Relations team manages these issues throughout the local, state and federal legislative sessions. Best Buy's quarterly federal lobbying reports can be viewed at http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm or <http://lobbyingdisclosure.house.gov/>.





In 2012, Best Buy's public policy priorities included:

Fair Competition – Best Buy supports updates to the tax code that reflect today's marketplace and would place the same tax collection obligations on all sellers, regardless of whether sales are made in-store or online.

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

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 spur the development of jobs 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 on Best Buy's political policies, please contact Government Relations at GovernmentRelations@bestbuy.com.

