

U.S. Political Activity & Public Policy Report 2016

Best Buy Co., Inc.

2016

Best Buy engages in the political process by developing and advocating public policy positions that directly impact our business, 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. Contributions are made without regard to the personal political preferences of company executives. Best Buy complies with all federal, state and local laws concerning contributions of corporate funds to political candidates and ballot initiatives.

As is normally the case, **Best Buy did not make any political contributions directly to candidates in 2016.**

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, organizations 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 2016:

Best Buy did not make any political contributions directly to candidates in 2016. In connection with Best Buy's 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 2016. 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.

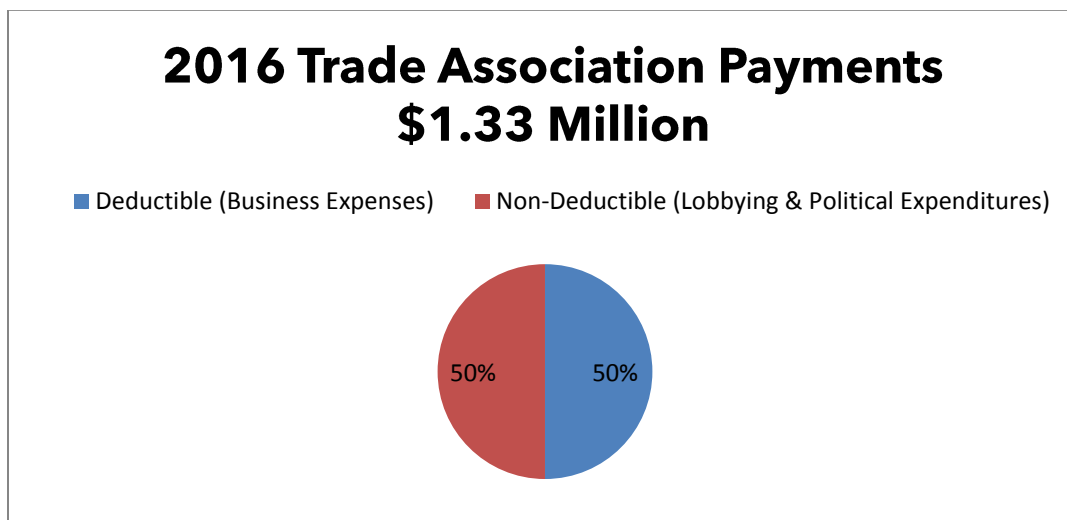
Organization	Amount
Democratic Governors Association	\$50,000
Republican Governors Association	\$50,000
Democratic Legislative Campaign Committee	\$30,000
Republican Legislative Campaign Committee	\$30,000
Democratic Attorneys General Association	\$15,000
Republican Attorneys General Association	\$15,000
State Ballot Initiatives	Amount
Oregon: "Defeat the Tax on Oregon Sales"	\$25,000

Best Buy did not make any contributions that could be considered independent political expenditures or that supported electioneering communications.



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 2016:

Alabama Retail Association	International Council of Shopping Centers	Retail Gift Card Association
Alliance of Wisconsin Retailers	Iowa Retail Federation	Retail Association of Mississippi
Arizona Retailers Association	Kentucky Retail Federation	Retail Association of Nevada
Arkansas Grocers/Retail Merchants Association	Louisiana Retailers Association	Retail Council of New York State
Asociación de Comercio al Detal (Puerto Rico)	Maine Merchants Association	Retail Industry Leaders Association
Associated Oregon Industries Retail Council	Maryland Retailers Association	Retail Merchants Association of New Hampshire
California Business Properties, Inc.	Michigan Retailers Association	Retail Merchants Association of Hawaii
California Chamber of Commerce	Minnesota Business Partnership	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 Technology Association	Missouri Retailers Association	South Carolina Retail Association
Delaware Retail Council	Montana Retail Association	South Dakota Retailers Assn.
Entertainment Merchants Association	Nebraska Retail Federation	Tennessee Retail Association
Florida Chamber of Commerce	New Jersey Retail Merchants Association	Texas Retailers Association
Florida Retail Federation	New Mexico Retail Association	The Kansas Chamber of Commerce
Georgia Retail Association	New York Metropolitan Retailers Assn.	The State Chamber of Oklahoma
Idaho Retailers Association	North Carolina Retail Merchants Association	Utah Retail Merchants Association
Illinois Retail Merchants Association	North Dakota Retail Association	Vermont Retail Association
Indiana Retail Council	Ohio Council of Retail Merchants	Virginia Retail Merchants Association
	Pennsylvania Retail Association	Washington Retail Association
		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
- Council on State Taxation
- Electronic Industry Citizenship Coalition
- Minnesota Center for Fiscal Excellence
- National Center for Electronics Recycling
- National Conference of State Legislatures Foundation
- Public Affairs Council
- State Government Affairs Council
- Tax Foundation
- World Resources Institute

Best Buy Employee Political Forum (PAC)

The Best Buy PAC is a federally-registered nonpartisan 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 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 & Sustainability, 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/>.



View the quarterly federal lobbying reports for the most current year here:

[2016 Q1 Lobbying Report](#)

[2016 Q2 Lobbying Report](#)

[2016 Q3 Lobbying Report](#)

[2016 Q4 Lobbying Report](#)

In 2016, public policy priorities for Best Buy included:

Tax Reform: Best Buy supports comprehensive efforts to reform the tax code so that it is fair, predictable, simple, allows for fair competition and helps fulfill consumers' technology needs while driving much-needed investment, job creation and wage growth. Best Buy opposes efforts to include a Border Adjustment Tax as part of comprehensive tax reform, which would essentially impose a new 20% tax on all imported products.

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 unsecured 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.

Competitive Workplace: Best Buy supports uniform policies that provide employers the flexibility to attract and retain the best talent by offering competitive wages and benefits and flexible scheduling.

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 improve and maintain the nation's multi-modal infrastructure to help advance the free flow of commerce while promoting a safe and secure supply chain.

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.

Emerging Technologies: Best Buy supports policies that allow for the emergence of new, innovative technologies and products that improve consumers' lives.



Additional Information

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