

# U.S. Political Activity & Public Policy Report 2011

Best Buy Co., Inc.

# 2011

Best Buy engages in the political process by developing and advocating public policy positions which directly impact our employees, customers 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 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 2011

**Best Buy did not make any political contributions directly to candidates in 2011.** In connection with Best Buy selection criteria, the company may decide to provide financial support to certain candidates as allowed by law.

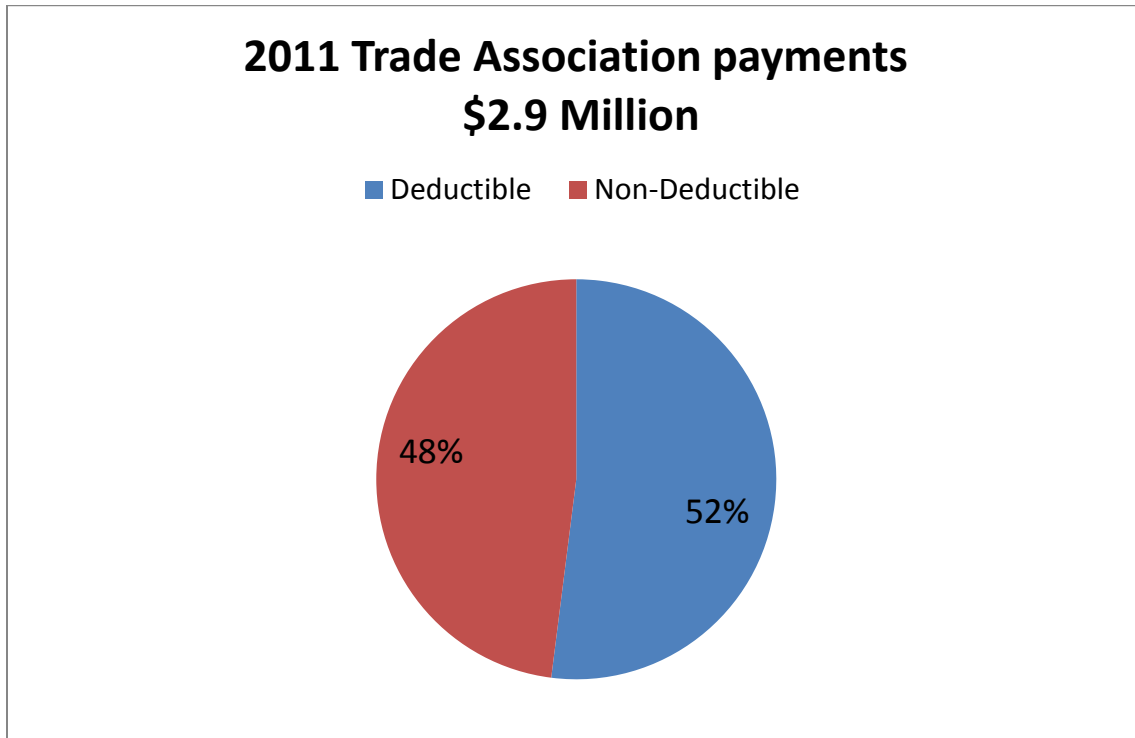
The organizations below received funding from Best Buy in 2011. Depending on their individual missions and tax classification under the Internal Revenue Code, such organizations may lobby and/or educate the public on issues of public importance or participate in election campaigns for government offices or political organizations. The IRC may require these organizations to file periodic reports concerning their activity, which can be located on the Internal Revenue Service website.

Organization	Amount
Democratic Attorneys General Association	\$25,000
Democratic Governor's Association	\$50,000
Democratic Legislative Leadership Campaign	\$25,000
Republican Governors Association	\$50,000
Republican State Leadership Campaign	\$50,000

## Trade Organizations

Best Buy belongs to numerous trade organizations which 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 2011:





The following is a list of major trade organizations to which Best Buy paid dues in 2011:

- |   |   |   |
|---|---|---|
| Alabama Retail Association                    | Maine Merchants Association                 | Retail Council of New York State              |
| Arizona Retailers Association                 | Maryland Retailers Association              | Retail Industry Leaders Association (RILA)    |
| Arkansas Grocers/Retail Merchants Association | Michigan Retailers Association              | Retail Merchants Association of New Hampshire |
| Associated Oregon Industries Retail Council   | Minneapolis (MN) Regional Chamber           | Retail Merchants of Hawaii                    |
| California Business Properties, Inc.          | Minnesota Business Partnership              | Retailers Association of Massachusetts        |
| California Retailers Association              | Minnesota Chamber of Commerce               | Rhode Island Retail Federation                |
| Colorado Retail Council                       | Minnesota Retailers Association             | Richfield (MN) Chamber of Commerce            |
| Conference of State Retail Associations       | Missouri Retailers Association              | Service Contract Industry Council             |
| Connecticut Retail Merchants Association      | Montana Retail Association                  | South Carolina Retail Association             |
| Consumer Electronics Association              | National Association of Recording Merchants | South Dakota Retailers                        |
| Consumer Electronics Retailers Coalition      | Nebraska Retail Federation                  | St. Paul (MN) Chamber of Commerce             |
| Delaware Retail Council                       | New Jersey Retail Merchants Association     | Tennessee Retail Association                  |
| Digital Media Association                     | New Mexico Retail Association               | Texas Retailers Federation                    |
| Direct Marketing Association                  | New York Metropolitan Retailers             | The Kansas Chamber                            |
| Entertainment Merchants Association           | New York Retail Council                     | The State Chamber of Oklahoma                 |
| Florida Retail Federation                     | North Carolina Retail Merchants Association | U.S. Chamber of Commerce                      |
| Georgia Retail Association                    | North Dakota Retail Association             | U.S. China Business                           |
| Idaho Retailers Association                   | Ohio Council of Retail Merchants            | Utah Retail Merchants Association             |
| Illinois Retail Merchants Association         | Pennsylvania Retail Association             | Virginia Retail Merchants Association         |
| Indiana Retail Council                        | Retail Gift Card Association                | Washington Retail Association                 |
| International Council of Shopping Centers     | Retail Association of Mississippi           | West Virginia Retailers Association           |
| Iowa Retail Federation                        | Retail Association of Nevada                | Wisconsin Merchants Federation                |
| Kentucky Retail Federation                    |   | Wyoming Retail Association                    |
| Louisiana Retailers 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:

- Alliance to Save Energy
- 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 are reported regularly to the Federal Election Commission and available for public viewing by visiting [www.fec.gov](http://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](http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm) or <http://lobbyingdisclosure.house.gov/>





In 2011, the Best Buy public policy priorities included:

**Internet Tax Fairness** – Best Buy supports updates to the tax code which would place the same tax collection obligations on all sellers, regardless of whether sales are made in-store or online.

**Connectivity** – Best Buy strongly supports the goal of ensuring broadband availability and access to help spur the development of jobs and innovation and help consumers realize the benefits of the connected world

**Economic Recovery** – Best Buy supports policies that encourage economic recovery and increase employment.

**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.

**Financial Services & Interchange**—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.

## 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](mailto:GovernmentRelations@bestbuy.com).

