Mr. Robert A. Iger  
Chairperson and Chief Executive Officer  
The Walt Disney Company  
500 South Buena Vista Street  
Burbank, CA  91521-1030  

January 3, 2019  

Dear Mr. Iger:

As shareholders, we are proud that all new movies made by the Disney Company are 100 percent smokefree. We appreciate that the Disney Company adopted a policy in 2015 that no new Disney-produced movie would feature tobacco imagery. This policy change has made Disney the industry leader on a serious public health risk that has dogged the U.S. film industry for nine decades.

While forward-looking progress has been made, as investors noted in a letter to you this past February we are deeply concerned that Disney’s legacy films with smoking depictions, and the scores of films with smoking, released since 2002, that Disney is acquiring from 20th Century Fox will be marketed in a way that increases health risks to young audiences worldwide. The table below shows how dramatically these Fox films will enlarge Disney’s tobacco footprint.1

Change in number of Disney’s films with smoking after its acquisition of 20th Century Fox

<table>
<thead>
<tr>
<th></th>
<th>YOUTH-RATED FILMS w/ SMOKING</th>
<th>R-RATED FILMS w/ SMOKING</th>
<th>SMOKING CHARACTERS IN FILMS</th>
<th>TOBACCO INCIDENTS IN FILMS</th>
<th>TOBACCO IMPRESSIONS (BILLIONS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISNEY</td>
<td>53</td>
<td>12</td>
<td>228</td>
<td>1,702</td>
<td>18.25</td>
</tr>
<tr>
<td>FOX</td>
<td>91</td>
<td>72</td>
<td>582</td>
<td>4,701</td>
<td>37.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>144</td>
<td>84</td>
<td>810</td>
<td>6,403</td>
<td>55.25</td>
</tr>
<tr>
<td>CHANGE</td>
<td>+172%</td>
<td>+600%</td>
<td>+255%</td>
<td>+276</td>
<td>+203%</td>
</tr>
</tbody>
</table>

1 Includes all top-grossing Disney and Fox films, January 1, 2002 - December 17, 2018: films ranked among the top ten films in reported box office gross for at least one week of their first-run, domestic theatrical release. Tobacco impressions = Tobacco incidents in a film X Paid admissions to the film (theatrical window only; does not include impressions subsequently delivered via home media). Paid admissions = Reported gross / Avg. ticket price in release year (NATO). Source for tabulated data: Breathe California-UCSF Onscreen Tobacco Database.
We are similarly concerned about Disney’s plans to immediately monetize the most recent Fox films: so far in 2018, Fox has substantially boosted tobacco presence in its youth-rated films, compared to a year ago. For example, its tobacco content has more than doubled from an average of 18 tobacco incidents per PG-13 film in 2017 to 41 incidents per PG-13 film in 2018. Fox's PG-13 films alone have already exposed moviegoers to 4.3 billion tobacco impressions in 2018. Eighteen times more impressions than in 2017, this represents Fox's highest level of hazardous audience exposure in at least seventeen years.

Also, while an actual tobacco brand (Camel) appears in a single R-rated Disney-produced film released since 2002, a dozen Fox films since 2002 display Camels, Lucky Strikes, Marlboros, Newports, Virginia Slims, and other tobacco brands. Half of Fox's films showing tobacco brands are youth-rated; one film showing a brand is rated “PG.”

In addition to the conclusive proof of public health harms caused by exposing young people to tobacco products, tobacco use, and cigarette brands on screen, our company cannot afford to ignore the compelling business case against risking Disney’s brand equity and the loyalty of family audiences worldwide while heedlessly driving a global tobacco epidemic that will kill nearly one billion people by the end of the century.

As shareholders noted in their February 2018 letter, the World Health Organization’s Framework Convention on Tobacco Control, Article 13, obliges the 181 governments party to the treaty to halt tobacco promotion in films and television. UCSF’s Center for Tobacco Control Research and Education, a WHO collaborating institution, has reported that policy makers in at least seven nations — Canada, China, France, India, Nigeria, the U.K., and the U.S., together comprising 40 percent of the global population — are currently discussing or implementing policies such as giving future entertainment with tobacco content an adult rating, adding explicit consumer warnings to tobacco-contaminated programming in all media, and requiring producers to disclose any consideration received for tobacco depictions.

In February 2018, shareholders proposed the following steps to manage the public health risk posed by Disney's Fox film acquisitions. These are reasonable, evidence-based measures that align with global health experts’ recommendations:

1. Extend The Walt Disney Company’s tobacco depictions policies to all new Fox motion picture productions, including local-language films, as comprehensively and stringently as these policies now cover Disney’s Lucasfilm, Marvel, and Pixar divisions;

2. Responsibly market Disney’s existing and acquired films with tobacco imagery by stipulating the following in its future licensing, rental, territorial distribution, and retailing agreements:

   a. Display graphic health warnings for all Disney and Fox film titles with tobacco imagery on all promotional materials and at point-of-purchase for physical disks and online or other electronic orders;

   b. Show age-appropriate 30-second anti-tobacco advertisements, vetted for effectiveness by public health authorities using evidence-based standards,
immediately before any Disney or Fox feature with tobacco imagery, in all media, in all markets.

(3) Hold scripted and unscripted video series and non-theatrical feature films produced and distributed by The Walt Disney Company and its affiliates, including Fox, to the same tobacco depiction standards now applied to the company’s theatrical film productions, whether the videos are carried by Disney-owned networks, cable channels or over-the-top services, or on other companies’ services.

The Walt Disney Company, without fanfare, has acknowledged the severity of the on-screen smoking problem. It has honored a bright line against tobacco and, at the same time, made itself into the most successful entertainment company on the planet.

We again ask you to follow your convictions, common sense, and experience in keeping kids safe. Earlier this year, you told shareholders it was too soon to discuss this matter. For a generation of children unnecessarily at risk of tobacco addiction, disability, and early death, we cannot let this matter go too late — or unresolved.

We request the opportunity to discuss this question with you, in person, at your earliest convenience. To arrange a meeting, please contact Tom McCaney, Associate Director, Corporate Social Responsibility, Sisters of St. Francis of Philadelphia at (tmccaney@osfphila.org). Please respond by January 18, 2019.

Sincerely,

Tom McCaney
Associate Director, Corporate Responsibility
Sisters of St. Francis, Philadelphia

On behalf of:

Adrian Dominican Sisters Portfolio Advisory Board
Azzad Asset Management
Bon Secours Mercy Health
Boston Common Asset Management
Catholic Health Initiatives
Congregation of St. Joseph

Dana Investment Advisors
Daughters of Charity, Province of St. Louise
Dignity Health
Dominican Sisters – Grand Rapids
Dominican Sisters of Hope
Epic Capital Wealth Management
Etica Sgr – Responsible Investments
Friends Fiduciary Corporation

JLens

Maryknoll Sisters

Natural Investments

Northwest Coalition for Responsible Investment

Michael Passoff, CEO, Proxy Impact

Progressive Asset Management

Region VI Coalition for Responsible Investment

Seventh Generation Interfaith, Inc.

Simplicity AB

Sisters of Charity of St. Elizabeth

Sisters of St. Agnes

Sisters of St. Dominic of Blauvelt, New York

Sisters of St. Francis of Philadelphia

Sisters of St. Joseph of Chestnut Hill, Philadelphia, PA

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Ursuline Sisters of Tildonk

Walden Asset Management