

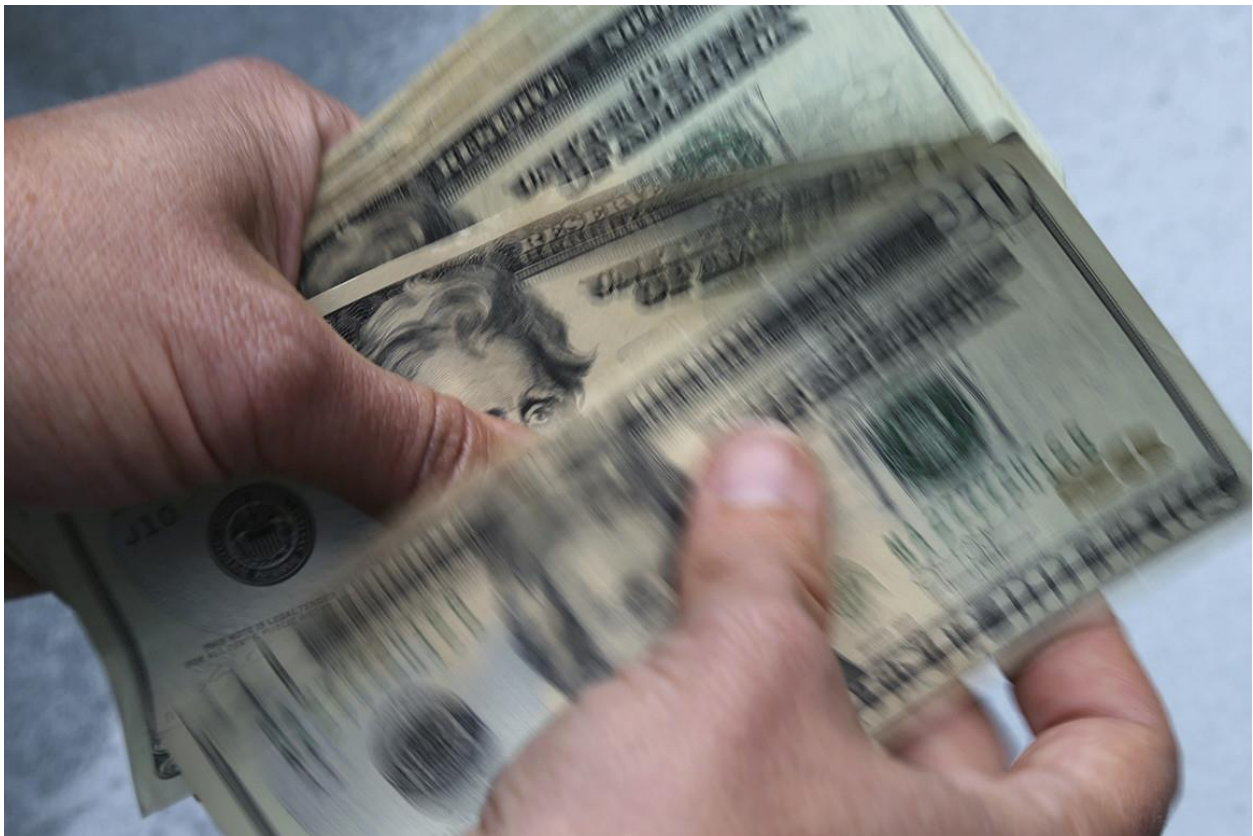
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The Long Game

Corporate disclosure of political giving hits record

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Companies in a core group tracked by the CPA-Zicklin Index are adopting disclosure policies at a rapid clip. | AP Photo/Elise Amendola

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Campaign finance reform might be dead in Washington, but it's making progress at the highest levels of corporate America.

The number of public companies that disclose or prohibit political spending hit a record this year and more corporations are assigning directors the responsibility of decision-making amid an era of hyper-partisanship.

An annual ranking found that 370 companies, up from 332 last year, either ban or disclose political spending, including contributions to trade associations. Companies on average are more transparent about their political activity than they were a year ago, according to the report from the nonprofit Center for Political Accountability and the Carol and Lawrence Zicklin Center for Business Ethics Research at the Wharton School.

Companies are under pressure from shareholders, customers, employees and regulators, including [Securities and Exchange Commission Chair Gary Gensler](#), to align their political influence with their stated values.

“These ideas have gone mainstream,” Center for Political Accountability President Bruce Freed said in an interview.

Companies in a core group tracked by the CPA-Zicklin Index are adopting disclosure policies at a rapid clip. The number that disclose or prohibit giving to tax-exempt groups has jumped 95 percent since 2015; the number that have delegated decision-making authority to board members has more than doubled.

High scores: Ford Motor Co. became the first automaker to score 90 or higher on the index, joining newcomers Cigna, Comcast Corp., FirstEnergy Corp., Hilton Worldwide Holdings Inc., Marriott International Inc., PayPal Holdings Inc., Yum! Brands and others.

The group singled out Intel Corp. for its policy on political spending. The company ended contributions to members of Congress who voted against certification of the 2020 presidential election.

AT&T Inc. notched a perfect score after it restricted payments to trade associations and tax-exempt groups. [The company's ranking jumped](#) in 2019 when it adopted policies after making payments to a shell company controlled by Michael Cohen, a onetime lawyer to former President Donald Trump who later served time in federal prison.

“AT&T was a company that had resisted adopting strong disclosure and accountability policies until the Michael Cohen scandal,” Freed said.

Not-so-high scores: Netflix Inc. was one of 27 companies that scored zero on the index for the second year running.

At an annual meeting in June, [nearly 81 percent of Netflix shareholders](#) asked the company to disclose its political giving, including money directed to trade associations and tax-exempt groups.

Netflix opposed the resolution, saying it would be expensive. It also said that its trade associations are free to take positions the company opposes “and that are not directly attributable to the membership dues we pay.” It could be “difficult for us to assess exactly how our contributions to such organizations could be used, which would make it difficult to comply with this proposal,” [Netflix wrote](#).

The board has said it will continue to evaluate what disclosures are appropriate. Netflix spokesperson Lauren Condoluci declined to comment.

Walmart Inc. was awarded a low score of 28.6 percent. Walmart CEO Doug McMillon currently leads the Business Roundtable, a group of chief executives who in 2019 said companies should [work for the benefit of all stakeholders](#), including communities and customers.

The retailer discloses contributions to state and federal candidates, parties and committees as required by law, Walmart spokesperson Randy Hargrove said in a written statement.

“We continue to review ways to further improve our disclosures,” Hargrove said.

Business Roundtable spokesperson Jennifer Cummings declined to comment. Political giving is not specifically mentioned in the roundtable’s 2019 statement.

Big stakes: Fundraising for the 2022 midterm congressional elections is [on track to break records](#), and millions of dollars from unidentified donors are [flowing into dark-money groups](#).

Walmart and other companies that withheld contributions after the Jan. 6 riot have resumed giving to political action committees that finance the campaigns of lawmakers who voted against President Joe Biden’s electoral victory.

“The stakes today are much, much higher than in any election than perhaps since the Civil War,” Freed said. “Our democracy is under attack.”

Some context: Fourteen shareholder resolutions on political spending went to a vote this year. In addition to Netflix, the measures won majority votes at Chemed Corp., Duke Energy (a 70 on the Zicklin scale), Omnicom Group (25.7), Royal Caribbean Cruises (24.3), and United Airlines Holdings (25.7), according to data from As You Sow.