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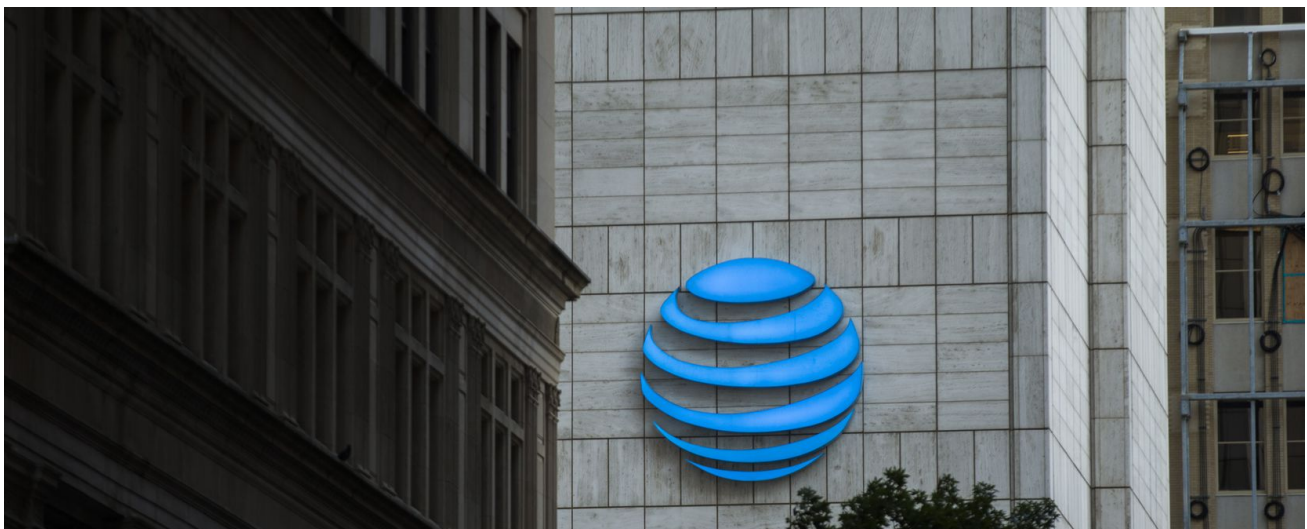


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Will AT&T start reporting when its political activity conflict with corporate values?

Shareholders are voting on whether AT&T will begin issuing a new report after more than a year of controversy.





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The AT&T headquarters building in downtown Dallas. (Ashley Landis / Staff Photographer)



By [Dom DiFurio](#)

7:02 AM on Apr 1, 2022

Do AT&T's publicly stated values on women empowerment, equity and democracy directly conflict with some of the elected leaders and laws it supports in Texas and beyond?

At least one activist shareholder group says they do — and it's pushing the company to detail those conflicts plainly in an annual report aimed at reducing risk to the company's reputation and value.

At its annual shareholders meeting on May 19, the Dallas-based telecom giant's shareholders will vote on a resolution that would require the company to issue a report once a year outlining how its corporate values align with its political donations — or don't.

Shareholder advocacy group [As You Sow](#) filed the details of its proposal with the U.S. Securities and Exchange Commission and says shareholders should approve it because AT&T's inconsistencies pose a risk to the company's value.

“We believe that the requested report will motivate AT&T to monitor its political expenditures so that they do not erode shareholder value by diminishing the company's reputation, consumer loyalty, brand, values and corporate responsibility initiatives,” the group said in a filing.

As You Sow cited a 2020 survey of more than 2,000 executives around the world in which the executives attribute 63% of a company's market value to the company's overall reputation.

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The proposal at AT&T is [one of 10 similar proposals being considered](#) by shareholders at U.S. corporations this proxy season, including at FedEx, Home Depot and Pfizer.

Stankey has been focused on unwinding predecessor Randall Stephenson's glitzy media empire to unlock the value in AT&T's underlying telecom business at its core. But the company has also been inundated with criticism over the last year from progressive and pro-democracy organizations.

Scrutiny of corporate political donations rose to a crescendo after the Jan. 6 insurrection and attack on the U.S. Capitol by supporters of former President Donald Trump. Corporate PACs were pressured to stop giving money to the 147 Republican members of Congress who voted to overturn Joe Biden's election win. Many companies paused donations, and some have since resumed.

[The Center for Responsive Politics](#) ranked AT&T the fourth-most-active PAC in the country for its \$2.6 million in spending on politicians in 2020, the last general election year.

In the state of Texas, AT&T gave more than \$1 million to candidates for top public offices in the 2020 election cycle, according to an [analysis](#) of Texas Ethics Commission data by Texans for Public Justice. The company was one of the [top donors](#) to Republicans who sponsored the law banning nearly all abortions, including in cases of rape or incest, according to watchdog outlet [Popular Info](#).

AT&T has recently faced attack ads from the "Never Trump" Republican group The Lincoln Project, which is calling for customers to drop AT&T services over its reported role in propping up right-wing cable network OAN as well as criticism from [civil rights groups](#) for supporting politicians restricting voting access.

As You Sow's proposal to shareholders specifically lists AT&T's support for politicians and organizations that As You So says are holding back climate



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resolution.

AT&T said it participates in the political process “in a bipartisan manner to support policies that sustain and grow our business and create stockholder value.”

Due to the highly regulated nature of the telecom industry it operates in, AT&T argued that it’s in stockholders’ best interest for the company to “continue to be engaged in the political process.” AT&T also deemed As You Sow’s assessment of its corporate political contributions “highly subjective.”

But the company’s primary reason for shareholders to vote down the proposal? AT&T points to its 100% rating in the [2021 CPA-Zicklin Index](#).

The index was created by the Wharton School of The University of Pennsylvania and the D.C.-based Center for Political Accountability to measure how transparently companies report their political activity.

“The index score really just addresses policies and practices that a company has, but it doesn’t make a value judgment in terms of alignment,” CPA director Bruce Freed told *The Dallas Morning News*.

AT&T is no stranger to shareholder activism. In the past, some activists have angled to see more transparency surrounding the company’s political involvement while others have pressured the company to restructure or take other actions to boost its stock price.

Freed likes AT&T’s political disclosure policies and said the company has improved its transparency since the company was [revealed to have paid](#) Trump’s personal attorney Michael Cohen large sums of money for access to the Trump administration. The embarrassment led AT&T to [bow to activists in 2019](#) and disclose additional information about its political activity.

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Freed and the CPA have created a 12-point [code of political conduct](#) that they plan to promote during the 2023 proxy season. It has an aim that's similar aim to As You Sow's proposal: Help align companies' political spending with core values and "obligations as a member of society and participant in democracy."

As You Sow's proposal doesn't weigh in specifically on what values a company should or shouldn't have or how it should express those values, Whistle Stop Capital founder Meredith Benton said. Benton is acting as a consultant for As You Sow.

"It asks that companies detail its own values, put in place a system to monitor political expenditures against those values, and then report back on how incongruity was identified and what was done," Benton said in a statement.

For the last three decades, As You Sow has a track record of shareholder activism at large corporations.

The organization was part of successful pushes to end McDonalds' practice of selling nonbiodegradable styrofoam cups, ending chocolate-maker Hershey's use of GMOs in sugar production and pressuring Apple and Best Buy to improve electronic waste recycling programs.



Dom DiFurio. Dom is a staff writer covering business news and consumer-focused companies in North Texas. His work has also been published in The Washington Post, USA Today, ESPN Magazine and others, and has been recognized by the Society for Advancing Business Editing and Writing, the Texas Associated Press Managing Editors and Columbia University.

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