

Berkshire and Tesla resist making political spending disclosures

CME Group also an outlier as growing number of S&P 500 companies publish more information

[Berkshire and Tesla resist making political spending disclosures | Financial Times \(ft.com\)](#)

Corporate money has flooded into US politics in the past decade following the landmark 2010 Citizens United Supreme Court ruling © Michael Reynolds/EPA-EFE/Shutterstock

Patrick Temple-West in New York

Berkshire Hathaway, Tesla and CME Group are among more than two dozen S&P 500 companies that disclose no information about their political spending, according to an annual transparency report.

The report from the Center for Political Accountability, a non-profit organisation, found that 35 companies did not disclose their political contributions during this year's annual proxy season or publish policies determining how the money is doled out.

However, the report, published ahead of [US midterm elections](#) that are expected to be the most expensive ever, found that companies such as Berkshire and Tesla are increasingly outliers. More than 380 S&P 500 companies made full or partial disclosures this year — a record high.

As corporate money flooded into US politics in the past decade following the landmark 2010 Citizens United Supreme Court ruling, [shareholders have grown increasingly concerned](#) about the reputational risks associated with corporate political spending.

In response to the investor pressure, hundreds of companies publish information that is not legally required, including how much they give to non-profit groups, which often have a political motive and do not need to disclose their source of funding or how it is spent.

Shareholders' concerns were magnified by a backlash against Republicans who voted against the certification of Joe Biden's 2020 election victory after Donald Trump's supporters stormed the US Capitol in January 2021.

Many companies suspended donations after the riots but some have resumed donating millions of dollars to "stop the steal" Republicans, [according to a report](#) last month from the Citizens for Responsibility and Ethics in Washington, a liberal advocacy group.

"Corporations continue to pour billions of dollars into political coffers around the country, with little transparency, and thus little accountability," said Allison Lee, a former Democratic commissioner at the Securities and Exchange Commission.

Companies and individuals are required to disclose campaign donations to the Federal Election Commission, but Republicans have blocked the SEC from requiring companies to disclose this activity in regulatory reports. Information companies publish about board oversight of political spending is also voluntary.

Warren Buffett's Berkshire Hathaway in 2017 [faced a shareholder petition](#) demanding more disclosures on its political spending, but won the support of just 11 per cent of investors.

A shareholder petition demanding more information about whether Tesla's spending on lobbying aligned with efforts to reduce climate change was backed by 35 per cent of investors.

After the 2021 Capitol attack, the Chicago-based exchange operator CME [said it would temporarily suspend](#) political donations. So far this year, the company's political-action committee has donated \$611,000, according to the Center for Responsive Politics.

The three companies did not immediately respond to a request for comment.

A handful of S&P 500 companies have banned donations, the CPA report found. IBM, for example, [has a longstanding policy](#) prohibiting political spending, said Bruce Freed, CPA's president.

Progress on increasing disclosure "has been made in the face of steady headwinds", Freed added, referring to the Republicans party's attacks on environmental, social and governance investing.

"Companies need to spend more attention on their contributions to third-party groups" such as non-profits and lobbyists, he said. "That is where they face serious [reputational] risks."