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The 2024 election cycle will likely see record campaign spending and companies will find themselves ever more intensely scrutinized for the way they engage in politics.

It is helpful that business is making big gains in trust around the globe, according to the [Edelman Trust Barometer](#), and greater transparency and accountability for political spending are now accepted as key indicators of good corporate governance.

However, these defenses are insufficient in an era of hyper-polarization. Beyond accessing a seat at the table, we ask companies to assess and mitigate the risks of their political giving and to take into account threats to the healthy democracy that companies need to [operate and thrive](#).

A healthy democracy is an essential component of the dynamic capitalism that companies need to pursue their interests. Acceptance of democratic outcomes, respect for judicial decisions, protection from threats, and the rejection of baseless claims are the foundation of the rule of law. When these attributes of a democratic society are put at risk, the conditions that businesses rely upon to prosper are lost.

Today, companies are increasingly operating in a political climate filled with [threats and intimidation](#) coming from officeholders in Washington and state capitals. These include antitrust suits, loss of government contracts, and removal of tax exemptions.

More than a decade ago, the Supreme Court's *Citizens United* decision lifted key restrictions on corporate spending for politics. Now, corporate dollars (from company coffers and Political Action Committees) are a dominant source of all [political funding](#). At the same time, elected officials and candidates in Washington and state capitals are challenging companies' investment decisions and even their HR practices and sustainability commitments.

In the current climate, it's in companies' self-interest, and consistent with existing principles of good governance to adhere to—and be able to point to—a code of conduct governing their political spending.

That's why we urge companies to adopt our framework—the [CPA-Zicklin Model Code of Conduct for Corporate Political Spending](#)—to govern their political spending.

The model code was drafted with buy-in from corporate and investment representatives, as well as academic and legal experts. It offers senior managers and directors a North Star and practical guardrails. It gives companies greater control over political spending. And it provides them with a “heat shield” against criticism or controversy over political engagement.

Specifically, it has 12 provisions that cover company policies for disclosure and board oversight of their political spending with treasury funds, and actions to ensure robust enterprise risk management. These include reviewing political spending that conflicts with companies' core values and positions and making a company's societal and democratic responsibilities part of its political spending policy.

We come from contrasting experiences to this approach.

For the co-author who advocated for a global chemical producer, transparency has proven central to good corporate governance. Friends and adversaries alike can know what your company is doing and see your level of commitment. Customers, employees, and the public can see if your company's political engagement is aligned with its values.

For the co-author whose nonprofit group helped write the model code, and who earlier worked as a congressional staffer, sunlight and accountability for corporate political spending are critical to a functioning democratic process and shield companies from risk.

It's hard to overstate the value of such a tool in overheated times when directors and officers often are held accountable for political choices and the broader impact that may be associated with their company's election-related spending. The model code provides a framework for companies to approach and manage election-related spending.

Companies girding for the next two years must decide whether to pursue business as usual and repeat past mistakes or set standards to navigate political storms. We hope they will rise to the challenge.

Bruce F. Freed is president of the Center for Political Accountability, a non-partisan NGO whose mission is to bring transparency and accountability to corporate political spending. Peter Molinaro is the former vice president for North American government affairs for [Dow](#) Chemical.

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