



## IBM, Pirelli, Danone Among First to Sign Pact Limiting Record Lobbying Spending

'Interplay between government institutions and businesses engaging in both policy and politics is rightfully being scrutinized in ways not seen for generations,' says IBM's Christopher Padilla

[IBM, Pirelli, Danone among first to sign pact limiting record lobbying spending - MarketWatch](#)

By Rachel Koning Beals

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A handful of big corporate names, including IBM and the North American arm of Italian tire maker Pirelli, have said they'll limit or forgo lobbying and political candidate contributions in an effort to rein in what some observers believe is an aggressive degree of corporate influence on lawmakers.

IBM, Pirelli Tire North America, France-based food giant Danone North America, resort operator Aspen Skiing and food science and chemical concern DSM North America said Tuesday they've joined with the University of Michigan's Erb Institute as inaugural members of the Erb Principles for Corporate Political Responsibility (CPR).

They remain in talks to add more names to the roster and have set a goal of adding 30-40 companies by the end of the year.

The framework, its architects say, is designed to provide non-partisan, pragmatic guidelines to help companies determine whether and how to engage in civic and political affairs responsibly. Each inaugural supporter has committed to take a measurable action based on the principles, as a key step in strengthening trust in American civic institutions and promoting collaboration on shared challenges, according to a release.

Total federal lobbying skyrocketed to \$4.1 billion in 2022, a nominal record and the highest lobbying spending since 2010, when adjusted for inflation, [according to political spending tracker Open Secrets](#).

The technology sector, in particular, has been shelling out record amounts as privacy, antitrust and other issues remain targets of their spending.

[Amazon.com](https://www.amazon.com), Apple and Microsoft, for instance, set records in their disclosed annual spending on Washington lobbying last year, [as each tech giant spent more in a single year than ever before](#) amid pressure from Congress and the Biden administration.

Maureen Kline, vice president of public affairs and sustainability at Pirelli Tire North America, told MarketWatch that her company operates in the U.S. as a member of auto parts and tire trade groups, but does not have a registered lobbyist and intentionally makes no contributions to political candidates.

She said the transition from internal combustion engines to electric vehicles TSLA GM marks a clear example where the industry can collaborate on meeting market demands, getting ahead of regulations and, as she said, "be responsible actors in this transition" without buying potential influence in Washington.

"I've worked both in Washington and in Italy and the differences have given me perspective on how government affairs is done," she said in an interview. "How much has changed in D.C. in just a few decades, such aggressive lobbying. The corporate world is losing sight of the proper balance."

But, she added, the responsibility also lies with lawmakers since record spending means that by and large, companies feel they're getting their money's worth.

"That's the big question. Companies invest a lot of money in lobbying so presumably there's a payoff. Can we shift to more responsible lobbying and still have a payoff?" she said. "Pirelli operates without a registered lobbyist and without contributing to political campaigns. We believe we can still achieve what we want, but to grow our business in ways that are not just in our self-interest, rather part of a greater good."

Erb Institute officials say that confidence in U.S. institutions continues to decline, and now more than ever, the private sector may have to consider reputational risks and rewards from customers, employees, investors and other stakeholders.

"Neither traditional shareholder primacy nor stakeholder capitalism has been really clear about the legitimate role of business in civic and political affairs," said Elizabeth Doty, director of the Erb Institute's Corporate Political Responsibility Taskforce, in a release.

"Yet, through our conversations, we believe CPR may be an area of common ground. We developed the Erb Principles as a place to start, enabling better conversations and more aligned action, internally and externally," Doty added.

Crafted specifically for a U.S. context, the framework is meant to get signatories aligned, manage regulations and communicate their efforts effectively.

"The interplay between government institutions and businesses engaging in both policy and politics is rightfully being scrutinized in ways not seen for generations," said Christopher Padilla, vice president, government and regulatory affairs at IBM, in a release.

During the first year, top priority issue areas for applying the Erb framework include: strong civic institutions; environmental stewardship and sustainability; economic opportunity and inclusion; and long-term shareholder value.

To ensure the Erb Principles for Corporate Political Responsibility lead to tangible impact, supporting companies must commit to one of the following three measurable actions, certified by trusted benchmarks:

\* Adopting the CPA-Zicklin Model Code of Conduct for Political Spending — Developed by the **Center for Political Accountability**, which publishes [the CPA-Zicklin Index of Corporate Political Disclosure and Accountability](#), the Model Code outlines policy provisions needed to address governance gaps in political spending, helping companies reduce enterprise risk, exert greater control, act as responsible citizens, mitigate risk and improve their scores on the CPA-Zicklin Index.

\* Adopting [GRI Standard 415: Public Policy](#) – Created by the Global Reporting Initiative, developer of the most widely used sustainability-reporting standards, GRI 415 defines meaningful disclosure of lobbying activity — including significant issues, the company's stance, and any differences with other stated policies, goals or positions. By focusing on alignment, such disclosure supports transparency, accountability and stakeholder trust.

\* Prohibiting the use of corporate treasury funds for election-related spending – Companies also have the option to adopt a policy prohibiting election-related spending from corporate treasury funds, as outlined by the CPA-Zicklin Index. Twenty companies were recognized for such policies in 2022, a significant increase over recent years.

The Erb Institute's CPRT [website](#) provides additional information and resources.

