



An Initiative of the ERB INSTITUTE at the UNIVERSITY OF MICHIGAN

The Erb Principles for Corporate Political Responsibility

What People are Saying

Diverse perspectives on the value of the Erb Principles for CPR

CPR SUPPORTED BY COMPANIES

"The interplay between government institutions and businesses engaging in both policy and politics is rightfully being scrutinized in ways not seen for generations. IBM is proud to have joined the Corporate Political Responsibility Taskforce and contributed to the development of these principles so that companies trying to navigate this moment can have an actionable framework to follow and so that, collectively, we can strengthen society's trust in the ways that businesses impact policymaking. Together with the Erb Institute, we look forward to encouraging more companies to adopt these principles."

- Christopher Padilla, Vice President, Government and Regulatory Affairs at IBM

"Pirelli has an ethical lobbying policy and a global ban on political campaign contributions. It was

a natural fit for our US subsidiary to join the Corporate Political Responsibility Taskforce and help develop the Erb Principles for CPR, in hopes that they herald a new way for companies to engage politically."

- Maureen Kline, Vice President, Public Affairs and Sustainability, Pirelli Tire North America

"DSM North America supports and endorses the Erb Principles for CPR. In an age when trust in our institutions continues to erode, the business community needs guidelines that help ensure we advocate on policy, not politics, in a non-partisan principled manner focused on issues adjacent to our corporate strategy, mission and purpose where we can meaningfully contribute."

- Hugh Welsh, General Counsel, Secretary & President, DSM North America

“Aspen Skiing Company hopes these principles will daylight the gap between stated corporate values and corporate spending, and force businesses to either withdraw from misaligned trade groups, or change them.”

- Auden Schendler, SVP, Sustainability, Aspen Skiing

“Companies are seeing an increase in pressure from a range of stakeholders, specifically customers and employees, for transparency around climate and social issues that is now being extended to policy and decisions about when and how to engage in political affairs. Brands will need a rigorous framework for assessing and managing their wide range of policy and legislative activities. The new Corporate Political Responsibility principles are a great tool for standardizing a consistent methodology for determining a congruent approach that aligns policy and public affairs with purpose and sustainability commitments.”

- Sandy Skees, EVP/Purpose & Impact Global Lead, Porter Novelli

CPR NEEDED FOR MANAGING RISK

“In today’s toxic and tumultuous climate, companies need to take a broader look at the impact of their political engagements, including the risks for their reputations and threats to democracy in a time of crisis. Alongside the CPA-Zicklin Model Code of Conduct for Political Spending, the Erb Principles provide a template to help companies take this broader view, moving from disclosure and accountability to responsibility for their impacts and ultimate interests, which can help in evaluating when and how to engage in political influence, framing talks with their employees and other stakeholders, and articulating their reasoning in non-partisan ways.”

- Bruce F. Freed, President, Center for Political Accountability

“Corporations and their leaders face increased demands by employees, consumers, and investors to take political stands – or to abstain from political involvement when that is the responsible course of action. Furthermore, conflicting demands and uncertain policies sometimes leave businesses looking inconsistent or hypocritical. The Erb Principles for CPR provide a systematic method for corporations to weigh whether to engage in political activities, and help them do so in ways that align with the company’s purpose, values and the public good.”

- Jerry Davis, Faculty Director, Business Impact Michigan Ross

“One of the most striking developments of the past decade has been the increased willingness of corporate leaders to speak up on controversial social and political issues, due to employee pressure and activism, increased polarization and political dysfunction, strategic leaking as the new whistleblowing, heightened transparency and the evolution of social media. But speaking out has consequences: It focuses investors, customers and employees on the gaps between speech and spending, and whether or not a company is committed to corporate political responsibility in action. Scrutiny over lobbying, trade association memberships, campaign finance and tax avoidance is only going to grow. To be resilient for the 2020s, transparency, accountability and responsibility for political influence are no longer nice to have but a necessity.”

- Alison Taylor, Executive Director, Ethical Systems, NYU Stern

CPR NEEDED FOR MARKET ECONOMIES

“Corporate Political Responsibility is essential to business leadership and to our markets-based economy continuing to thrive. As companies, when we align our actions with our words, we contribute to a dynamic environment that remains competitive and that profitably produces value to the benefit of business and society. The Erb Institute’s Principles for CPR are a key starting point for any company looking to grow their business responsibly for sustainable profits and value creation.”

- Meredith Sumpter, CEO, Council for Inclusive Capitalism

“Businesses understand well the importance of good public policy on trade, financial markets, and infrastructure. Today, companies are recognizing that protecting our democratic institutions is another bottom-line business issue essential to America’s economic competitiveness. But it’s not enough only to “do no harm.” The Erb Principles elucidate why businesses must be proactive to help preserve our republic on behalf of both stakeholders and shareholders. We invite every responsible business to join Business for America in embracing the Erb Principles and translating them into meaningful action.”

- Sarah Bonk, Founder, and Richard Eidlin, National Policy Director, Business for America

“It is in every company’s vital self-interest to foster civic cohesion and help stabilize American constitutional democracy. The Erb Principles are an essential guide to reducing corporate risk in an increasingly capricious partisan environment.”

- Bill Shireman, Co-Founder, In This Together

“Corporations wield tremendous resources and public influence. The CPR principles offer a way to attest with words and deeds what responsible corporate political activities mean in a free and

democratic society. If the ones with the gold are allowed to make the rules, the whole case for an economy based on fair competition and free markets falls apart. Shareholders lose, stakeholders lose, we all lose. Responsible corporate stewards, whatever their philosophical differences, can help avoid this by adopting the CPR principles.”

- Allison Herren Lee, NYU Law Adjunct Faculty and former Commissioner, US Securities & Exchange Commission and Ed Dolan, Senior Fellow, Niskanen Center

“Corporate Political Responsibility is essential for rebuilding civic trust and unlocking the great economic opportunities of our time. The Erb Principles provide invaluable guidance for companies who want to act responsibly in civic and political affairs, aligning their influences to safeguard civic institutions, informed civil discourse and a level playing field for Net Positive businesses that thrive by helping people prosper.”

- Andrew Winston, co-author, Net Positive: How Courageous Companies Thrive by Giving More than They Take

“The Principles for Corporate Political Responsibility reflect not only the important role that companies can play in supporting market-based economic and democratic systems that serve the public good, but also the simultaneous need for companies to ensure their own political activities are appropriately governed and disclosed. Moreover, the Principles are an example of how companies can take collective action across industries and thereby avoid the “tragedy of the commons,” where firms recognize a common threat to society’s well-being, but the cost of any individual firm taking action may outweigh the benefits.”

- Paul Washington, Executive Director, Environmental, Social & Governance Center, The Conference Board

"Maintaining a vibrant democracy is fundamental to sustaining a free society and a healthy economy. The power and reach of the private sector means that it is essential that business people are completely transparent about their own political activity, that they speak and act together with other firms to support the institutions of democracy and capitalism. The Erb Institute's Principles are a powerful first step towards building a shared understanding of what this might look like in practice."

- Rebecca Henderson, John and Natty McArthur University Professor at Harvard University, and author of Reimagining Capitalism in a World on Fire

"The Erb Institute and its Principles for CPR create a critical guide for companies who understand that a healthy democracy is fundamental to a healthy business environment - and that engagement is imperative when our most foundational institutions are at stake. This framework takes intention into action with practical steps that benefit all stakeholders inside and outside a company."

- Marjorie Clifton, Corporate Engagement, Strategy & Communications, The Leadership Now Project

"Forward-looking business leaders recognize that a healthy society and environment are foundational to their companies' success. But investing in this long-term value often conflicts with expectations to deliver short-term financial returns. The Erb Principles for CPR offer these companies a non-partisan approach for ensuring their political activities strengthen the supporting systems that enable a flourishing market for generations to come."

- Amy Gobel and Russ Forthuber, Alliance for Responsible Capitalism

"In these polarized times, business has an incredibly important role to play in building public confidence in our constitutional democracy and its institutions. The key is not to take one side or the other, but the third side, the side of the whole country and its future. That is the aim of the CPRT and the Erb Principles."

- William Ury, Co-founder, Harvard Program on Negotiation and Co-author, Getting to YES

"We applaud the Erb Principles that outline a constructive, non-partisan role for business in protecting healthy self-governance for Americans at all levels. In addition to the bottom line, businesses that will succeed in the 21st century must consider the many communities they impact. As we reshape society to better fit the needs of all Americans, business can lead the way by adopting the Erb Principles."

- Debilyn Molineaux, CEO/President, Bridge Alliance

"Americans are entitled to have different views about key political issues -- it's a fundamental part of our freedom. We come together to peaceably govern ourselves, but we're allowed to disagree. We invest in companies because we have to do so to save for retirement for ourselves and college for our kids. As workers and investors, we have a common interest in having companies make money the right way, but our political and social values are as diverse as the American people's. We don't want politicized companies that use our money to tilt our political process in any direction. That is divisive and lacks genuine legitimacy. The Erb Principles recognize these realities and seek to ensure that corporations that engage in political spending and other political activities do so on a more trustworthy and accountable basis."

- Hon. Leo E. Strine, Jr., former Chief Justice of the Supreme Court of Delaware, of counsel at the law firm of Wachtell, Lipton, Rosen & Katz and the Michael L. Wachter Distinguished Fellow at the University of Pennsylvania's Carey Law School

"Young people are engaged, energized, and want our system of governance to deliver. As the leader of the largest and fastest growing Gen-Z movement fighting polarization in our democracy, I strongly believe that the work of the Erb Institute is essential to strengthening democracy's appeal to young people. Importantly, the Erb Principles offer a blueprint for how companies can lead the way- politics and business are no longer separate, and we need nonpartisan action from the private sector."

- Manu Meel, CEO, BridgeUSA

"As the political climate reaches levels never seen before in recent memory, the need for more corporate responsibility in tempering the rhetoric and politicization that is hampering our country. We believe the Erb Institute's Principles for Corporate Political Responsibility (CPR) are part of the right solution at the right time. By adopting CPR, we will help make this country thrive, and bring back trust to our civic institutions."

- Francis Johnson, President, Take Back Our Republic

"The Erb Principles for Corporate Political Responsibility offer a powerful step forward not only in the ongoing debate about the role of business in our society, but also as a framework for meaningful action. With the scale of the challenges before us, we need business leaders and investors to lead in a way they have never led before, where all their activities—internal and external, direct and indirect—support the systems on which our markets, society, people, and planet all depend. We applaud the business leaders and investors that embrace this ethos, put it into action, and work diligently to embed

corporate political responsibility into the range of shifts they are making in the name of long-term sustainability. It's time to adopt new norms for business where equity, responsibility, and transparency aren't buzzwords (or scary words), but instead part of the DNA of every business."

- Mahlet Getachew, Managing Director, Corporate Racial Equity & Legal, PolicyLink

"Corporate political responsibility is the right concept at the right time. In the mid-twentieth century, American corporations played an important role in making our political system work, adopting a moderate and pragmatic approach, and helping to ensure that both business and government served society's interests. We need a resurgence of this approach today. Corporate social responsibility is fine, but it operates on a firm-by-firm basis. CPR involves collective action- and a set of prescriptions that will allow business to play a constructive role in developing policies that work for everyone."

- Mark S. Mizruchi, Robert Cooley Angell Collegiate Professor of Sociology and Professor of Management and Organizations, University of Michigan

"The business sector is an important part of America's civic infrastructure, and the newly released Erb Principles for Corporate Political Responsibility provide a framework to help corporations affirm and act on their commitments to civic health. Americans can contribute to democracy in many aspects of their lives – as voters, as volunteers, as employees who solve problems together, and as participants in public decision-making. By upholding the Erb Principles, businesses are clarifying how they can support and strengthen all these forms of active citizenship."

- Matt Leighninger, Director of Democracy Innovation, National Conference on Citizenship

CPR EXPECTED BY STAKEHOLDERS

“ICCR members have long sought robust guardrails around corporate political activities because of the risks they represent not just to individual companies, but to the broader economic and societal systems and structures we all rely upon. The Erb Principles for CPR offer companies straightforward and practical guidance to help in their discernment of not just whether to engage in the political arena, but how to do so responsibly in ways that will strengthen, not weaken, those structures and systems. We will be asking companies to strongly consider using the Erb Principles because we believe in doing so they are demonstrating their commitment to behave thoughtfully and responsibly in the political arena.”

- Josh Zinner, CEO of the Interfaith Center on Corporate Responsibility

“Like it or not, companies wield a lot of political influence. Ensuring they use that influence responsibly, in a way that benefits society as a whole, is a critical challenge. The Erb Principles are an excellent starting point for any company that is serious about rising to the challenge.”

- Richard Roberts, Inquiry Lead, Volans

“Adoption of the Erb Principles for Corporate Political Responsibility ensures that any political participation by a corporation must be designed to add value to our political discourse and avoid the extractive influence campaigning in which corporations too often engage. Shareholders should work with other stakeholders to encourage adoption of the principles by American corporations. Broad adoption will preserve the value of democracy, as well as the social institutions and natural systems that depend upon a healthy civil society.”

- Rick Alexander, CEO and Sara E. Murphy, Chief Strategy Officer, The Shareholder Commons

“It’s time for companies to align—once and for all—their public positions, operational and workforce policies, and their political influence. In a post-January 6th America, and where abortion access, voting rights and LGBTQ inclusion are legislated in every state, a company’s public and internal commitments are often at cross purposes; and that contradiction will be untenable. BSR supports the Erb Institute in offering up these principles as a first step at enhanced due diligence for the private sector.”

- Jen Stark, Co-Director, Center for Business and Social Justice at BSR

“At a time of growing public scrutiny over corporate political activities, the Erb Principles offer the most comprehensive and advanced framework for those companies ready to exercise self restraint in their corporate political conduct. As such, they are set to become the reference point for future mandatory frameworks for corporate political activities in the US and potentially beyond.”

- Alberto Alemanno, Jean Monnet Professor of EU Law, HEC Paris and Founder, The Good Lobby

“It is time for corporations to align their political actions with the values that they champion to the public, their employees, and their shareholders. Standing up for democracy, civic freedoms and political accountability isn’t only good for society. It’s good for business too, and the Erb Principles for CPR capture some of the key elements CREW considers when recognizing companies for political responsibility.”

- Robert Maguire, Research Director, Citizens for Responsibility & Ethics in Washington

“At IGC, we’ve seen firsthand the challenges businesses face when determining if, when and how to engage on social and political issues. Companies need a process to ensure their engagements align with their organization’s mission, goals, and values. The Erb Principles for Corporate Political Responsibility are an essential framework to help organizations manage risk and seize opportunity to make a positive impact and build a better world.”

- Jackie Padgett, COO & Co-Founder and Deirdre Walsh, CEO & Co-Founder, IGC

“Ceres congratulates the Erb Institute for articulating in no uncertain terms the foundational Principles necessary to guide activities of any business seeking to retain the public’s trust in the 21st century. The Erb Principles for Corporate Political Responsibility offer a timely and essential framework for companies seeking to legitimately engage in political discourse while supporting the interests of a full range of stakeholders. As the midterm elections demonstrated, Americans will respect both candidates and companies that seek to protect and preserve the vital yet fragile foundations of our democracy.”

- Anne L. Kelly, Vice President, Government Relations, Ceres

“The Erb Institute’s new framework for corporate political responsibility is both timely and needed. The investor community has spoken clearly on the need for better corporate governance and transparency in the context of the climate emergency, where InfluenceMap’s analysis shows corporate influence continues to hold back desperately needed government action.”

- Dylan Tanner, Executive Director, InfluenceMap

“ClimateVoice was formed because employees care where their companies stand on systemic issues like climate. The Erb Principles for CPR put the kind of political muscle behind corporate responsibility that is needed to address this type of shared challenge. They will help employees, and other key stakeholders, evaluate how companies measure up.”

- Bill Wehl, Founder and Executive Director ClimateVoice

“Our organization has found it most effective to work from a basis of respect and appreciation for public service when engaging with elected officials, and to build relationships that last through political ups and downs. Companies can do the same by taking a direct approach, letting members of Congress know why they are concerned about the risks of climate change or the threats to our democracy. They can demonstrate how those concerns impact their business and the Members’ constituents, whom they employ. They can band together to talk with their trade associations. They can let their representatives know they will not beat them up if they vote for climate policy. The Erb Principles outline this type of norm for effective advocacy.”

- Madeleine Para, Executive Director, Citizens Climate Lobby