

The Corporate Political Responsibility Taskforce 2024

*An Invitation to Non-partisan
Leadership in Establishing
CPR as a Norm*

*An Initiative of the Erb Institute at the University of Michigan (bit.ly/ErbCPRT)
Elizabeth Doty (dotye@umich.edu); Tom Lyon (tplyon@umich.edu)*





Teaching & Learning

- Dual Degree MBA / Master Science
- Undergraduate Fellows
- Executive Education

Business Engagement

- Corporate Political Responsibility Taskforce (CPRT)
- Michigan Business Sustainability Roundtable (MBSR)
- Collaborations with global networks (Sustainable Brands, BSR, etc)

Scholarly & Applied Research

- Sustainability Management Toolboxes
- Faculty Scholarly Research
- Sustainability Case Studies

Three Invitations to Consider

Join the CPR Taskforce (CPRT)

A peer roundtable for reviewing scenarios and applying principled, proactive approaches

Request a Private Workshop

Bring Erb Institute faculty in-house to work with your teams on a pressing CPR issue

Apply the Erb Principles for CPR

A non-partisan, principles-driven framework for to help management teams decide whether & how to engage in civic & political affairs



Learn More

Elizabeth Doty, Taskforce Director dotye@umich.edu

Tom Lyon, Faculty, tplyon@umich.edu

Taskforce: bit.ly/ErbCPRT



CPR Challenges 2024-5

Current/Emerging Issue Areas

Hyper-politicization & Polarization

Election Risks & Political Stability

Climate, Sustainability & Energy Transition

Global Conflicts

Immigration & Workforce

Tax, Trade & Antitrust

Equity, Opportunity & Justice

AI, Social Media & Reliable Information



Material Challenges for Companies

STAKEHOLDER PRESSURES

Brand reputation, backlash, PR crises, engagement with employees, customers, investors, lawmakers, communities, etc

THREATS TO BUSINESS STRATEGY

Policies needed for sustainability, circularity, just transition, immigration, human capital, tech, etc. goals

SYSTEMIC RISKS

Healthy economic system, healthy civic institutions, healthy civic discourse, healthy natural systems & societal resources

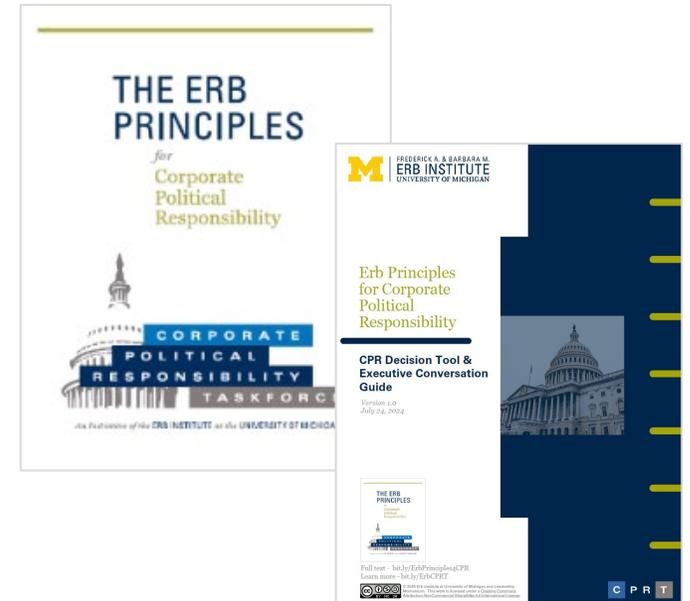
The Corporate Political Responsibility Taskforce (CPRT)

Helping companies better align their approach to political influence with their commitments to values, purpose, sustainability & stakeholders.

Making it easier for companies to take a principled approach to political influence as a practical way to reduce risk, enable their long-term strategies and strengthen trust in American civic institutions... ultimately establishing CPR as a norm.

✓ POLITICAL ACTIVITIES

- Lobbying & Advocacy
- Political Spending
- Employee Communications
- External Communications & Influence



Why Companies Need a CPR Framework



The social responsibility of business is to increase its profits



Shareholder Value Maximization



Stakeholder Capitalism



We share a fundamental commitment to all of our stakeholders



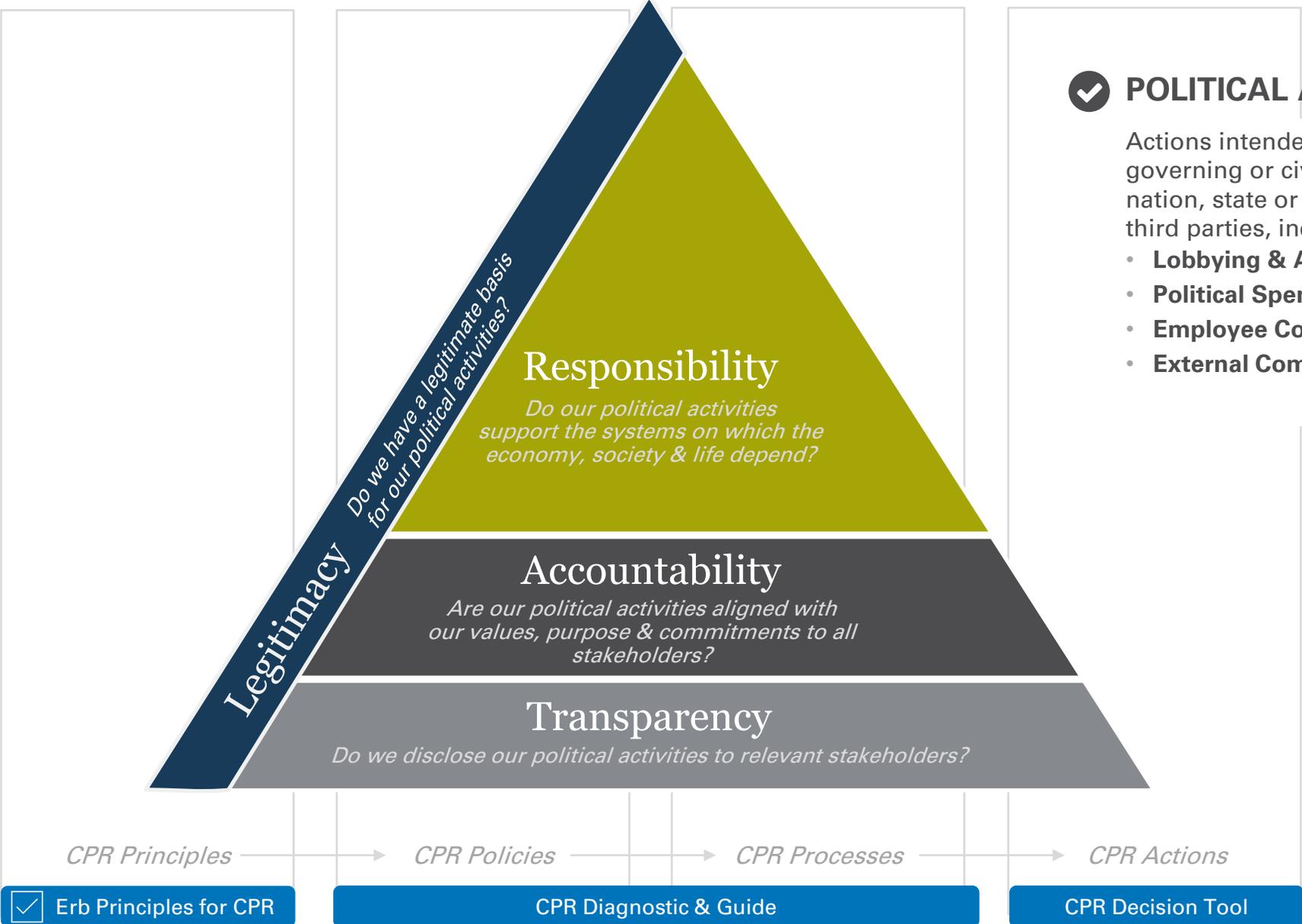
Civic & Political Processes

What is the legitimate role of business in influencing society's civic and political processes?



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Vision for the CPR Framework



✓ POLITICAL ACTIVITIES

Actions intended to influence the electoral, governing or civic affairs processes of a nation, state or municipality, directly or via third parties, including:

- **Lobbying & Advocacy**
- **Political Spending**
- **Employee Communications**
- **External Communications & Influence**



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Principles as a Place to Stand

Escaping the cycle of action and reaction

Use non-partisan third-party principles to:

- **Clarify**: Articulating decisions externally
- **Investigate**: Reviewing data & impacts
- **Change**: Weighing decisions internally



IBM's Statement of Support



Christopher A. Padilla

Vice President, Government &
Regulatory Affairs, IBM

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.**

The Erb Principles for CPR

Shorthand Summary

Legitimacy

Do we have a legitimate basis for our political engagements?

- ✓ Reflect legal & fiduciary duties
- ✓ Do not pressure or coerce
- ✓ Articulate an authentic basis:
 - Contribution,
 - Commitment, or
 - Consequence

Accountability

Are our political activities aligned with our commitments to values, purpose, stated goals and stakeholders?

- ✓ Strive for consistency & alignment
- ✓ Include oversight & governance
- ✓ Address misalignments based on impact

Responsibility

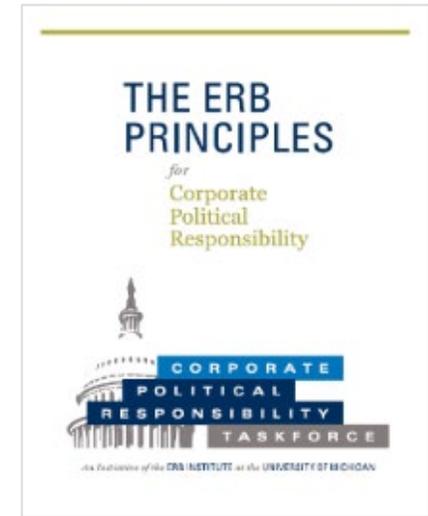
Do our political activities support the systems on which markets, society and life depend?

- ✓ Champion healthy market “rules of the game”
- ✓ Support constitutional democracy
- ✓ Contribute to healthy civic discourse
- ✓ Avoid harm to human rights & environment

Transparency

Do we communicate openly about our political activities to enable stakeholder choice and promote public trust?

- ✓ Disclose political activities
- ✓ Communicate rationale
- ✓ Provide information & expertise



For full text see
bit.ly/ErbCPRT

Joining the CPR Taskforce

The CPRT is a **private forum** offering frameworks, foresight and peer feedback, to **make it easier** for companies to **take a principled, consistent, and responsible approach to political influence**

Benefits include:

1 Virtual Peer Roundtables



- Nov 12
- Jan 14
- Mar 11

2 CPR Principles & Tools



- Erb Principles for CPR
- CPR Decision Tool & Conversation Guide
- CPR Action Planner (in process)

3 Workshops & "Office Hours"



- Election Readiness & CPR 2024
- Political Risk Assessments
- Scenarios & Engagement Decisions
- Listening & Responding to Critics
- Tailoring Principles
- Reviewing Spending Criteria

4 Innovation Projects



- Interactive Multi-stakeholder Challenges
- Student Projects
- Survey on CPR & Employee Trust
- Recognition of Actions (opt-in)
- *(Additional fees may apply)*



Please reach out to learn more: dotye@umich.edu

Election Readiness & Corporate Political Responsibility

3 Strategies for a Principled, Proactive Response

1. Strengthen CPR Governance

Assess
Political Risk

Clarify
Decision
Frameworks

Review
Processes
& Spending

2. Drive Internal-facing Initiatives

- Civic Engagement & Education
- Bridging Divides Internally

3. Drive External-facing Initiatives

- Statements, Coalitions, Multi-sector Collaborations
- Policy Advocacy, Advertising, Legal Briefs, Other

Selected resources & non-partisan network partners:

Leadership Now Project

Corporate Guide to Navigating U.S. Political Risk

Key Priorities and Action Steps for Boards, Management Teams, and Investors.

Leadership Now Project



BSR[®]



Three Ways to Get Started



Schedule a Call to Discuss your Challenges & Goals

- Upcoming decisions/scenarios to prepare for
- A specific project or innovation to work on

Identify Members & Designated Alternates

- Government Relations, Legal, Sustainability, DEI, Communications

Review & Approve CPRT Charter

- Confirming time commitments, fees, pre-competitive agreement

Additional non-partisan network partners:



**IN THIS
TOGETHER**



**World
Benchmarking
Alliance**

**Please reach out to learn
more: dotye@umich.edu**



Additional Background

What Does it Mean to Support the Erb Principles?

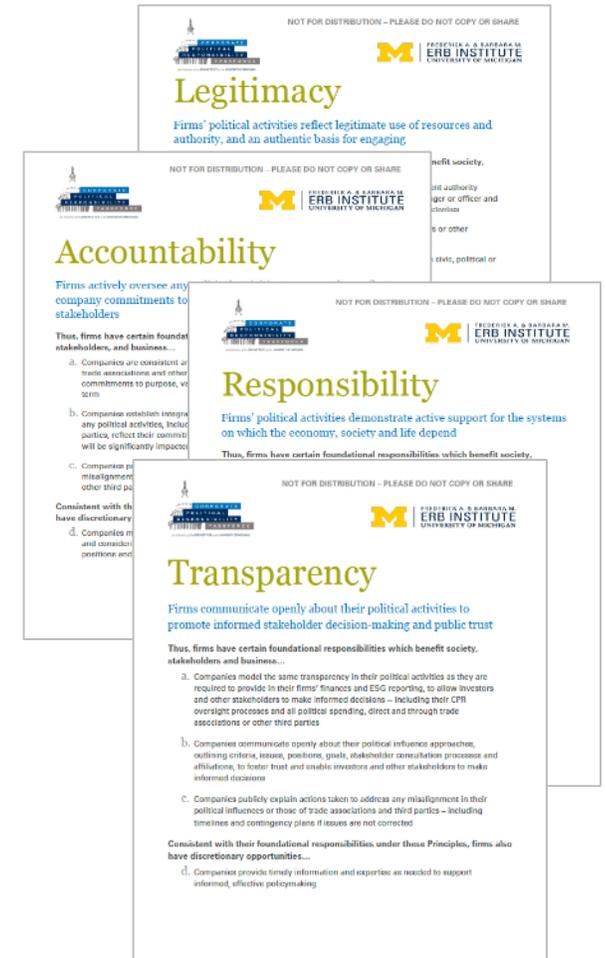
Companies can use the Erb Principles in decision-making at any time by applying them to a decision and referencing them as providing guidance

Companies can go further in making CPR the norm by providing a public statement that they will:

Sustain current CPR actions that align with the Principles

Take additional actions over time, starting with:

- CPA/Zicklin Model Code of Conduct for Political Spending, *or*
- GRI Standard 415: Public Policy, *or*
- A policy prohibiting the use of corporate treasury funds for election-related spending



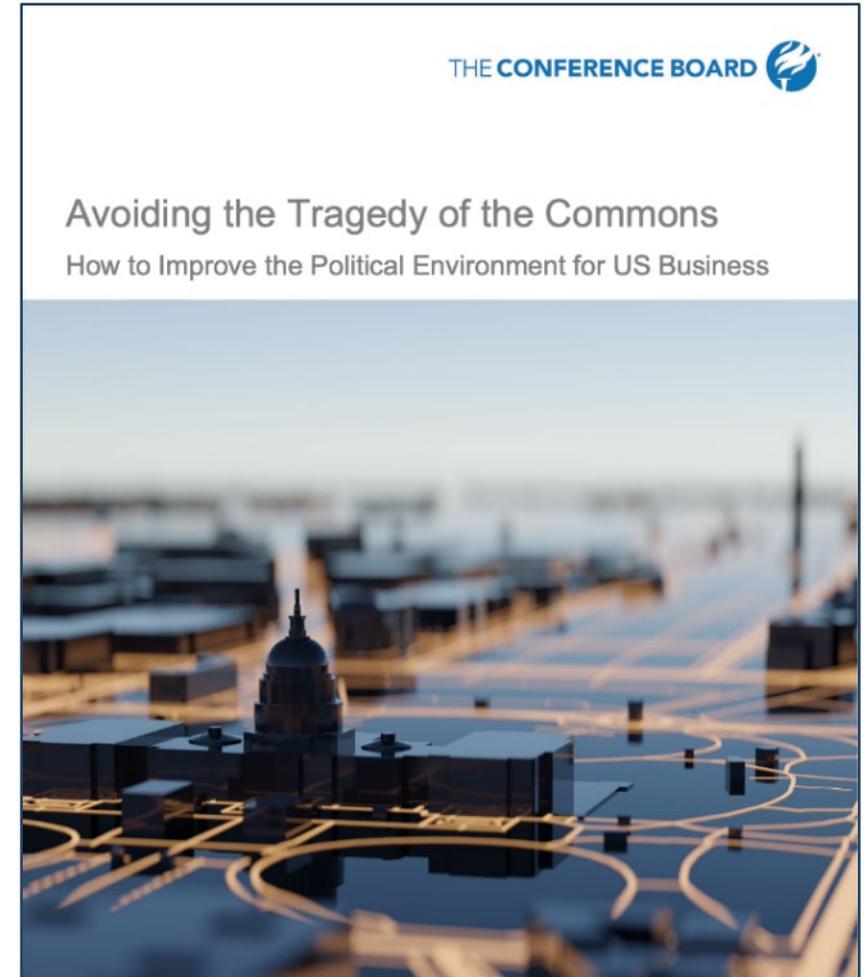
For full text, please see:
bit.ly/ErbPrinciples4CPR

Why a Shared Framework?

Avoiding the Tragedy of the Commons

...the private sector **recognizes the collective threat** posed by an unhealthy political environment

...but the **costs of any individual company taking action may exceed the benefits**



CPR is Critical for Capitalism Done Right



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THE PLAYING FIELD



Natural Systems & Societal Resources

FOUNDATIONAL SYSTEMS

