Scorecard

Erb Principles for Corporate Political Responsibility

About Erb Principles

- COVERAGE OF COMPANIES: Global
- LAUNCH DATE: 2023

Focus
- Corporate political activities

Link
- https://erb.umich.edu/partner-with-erb/erb-principles/
Erb Principles for Corporate Political Responsibility Score

Tracker Rank and Score for Erb Principles
The score is out of a total of 200 and the rank describes the standards position in the 26 standards assessed by the Tracker.

Category scores of Erb Principles

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*Categories where the standard received no points do not appear in the colour-coded graph.

Rank and scores for all standards

1. UN-PRI Investor Expectations 117
2. Erb Principles 116
3. Responsible Lobbying Framework 106
4. OECD-Principles 103
5. ICGN 101
6. AccountAbility 97
7. EFRAG 95
8. Positive Compass 87
9. Moody’s 80
10. S&P 80
11. World Benchmarking Alliance (WBA) 76
12. GRI 415 68
13. ISS ESG 53
14. CDP 53
15. Sustainalytics 46
16. Fitch 40
17. WEF Measuring Stakeholder Capitalism 38
18. FTSE4Good 31
19. MSCI 30
20. ISSB 30
21. B-Lab 30
22. Refinitiv 20
23. TCFD 20
24. EcoVadis 12
25. Bloomberg 10
26. RepRisk 10
Description

The Erb Principles for Corporate Political Responsibility are intended to provide corporations with a non-partisan, practical thought process and action guide to respond to new questions and new pressures related to their political influences – from employees, investors, customers and the public.

Summary

The Erb Principles receive a Tracker score of 116 out of 200. This reflects a number of high-level expectations linked to corporate political activities embedded in the Principles. For example, the Principles outline expectations that “companies articulate an authentic basis for their engagement on key matters of public policy and societal issues,” which receives points in Tracker Category A, ‘general disclosure on corporate political activities.’ The Erb Principle on Accountability expects companies to “actively strive for alignment between their political activities (including those of trade associations and other third parties influencing on their behalf) and their commitments to purpose, values, stated goals and stakeholders.” This element of the Principles receives points in Tracker Category D, ‘Influence via third parties’. The Principle on Transparency includes additional important elements, highlighting that companies “should communicate openly and honestly about their political activities to promote informed stakeholder decision-making and public trust.”

Under the Erb Principles, these assessment areas include the responsibility of companies to provide transparency in their political activities, publicly reporting on the oversight processes and policies for corporate political activities, all direct political spending, spending through trade associations or other third parties engaged in influencing on their behalf, and any actions to address misalignments. These provisions receive points in Tracker Category C on ‘Lobbying and advocacy activities.’ The Erb Principles also have mechanisms for taking feedback from a wide range of stakeholders and receive points in Tracker category H for this approach to open and transparent governance of the standards.

Opportunities for improvement

The Erb Principles offer a relatively exhaustive and ambitious set of high-level principles. However, the Principles do not provide the level of detail required to score positively in relevant subcategories such as on the disclosure of policy files covered by corporate lobbying activities.

The Principles could be strengthened with reference to the political activities of employees and associated internal policies. In their current iteration, the Principles do not seem to focus on that corporate governance aspect of corporate political activities, but they could do so in the future by providing a set of implementation guidelines helping users to translate these high-level principles into actionable guidance.