

PREPARING FOR INQUIRIES ABOUT CORPORATE PAC DONATIONS

1. **Review your company's core values, beliefs and commitments** — especially those named in your sustainability and corporate responsibility programs — and identify the ones considered sacred and non-negotiable. Being inconsistent about these values, beliefs and commitments may damage your firm's reputation internally and externally.

Remember the PAC's purpose – to advance the business interests of the organization by focusing on its priority issues. Try and let this guide your strategy as much as possible, but recognize it is important to:

- Highlight the diversity of PAC beneficiaries across the social, political and policy spectrum.
- Include a "character and integrity" or "socially conscious" consideration to your PAC giving criteria that encompasses problematic behavior or inflammatory remarks at odds with your corporate values. And be sure to do diligent research on candidates.
- Remind employees about impactful work done within other areas of the company to advance issues or promote change outside of the issues the PAC focuses on. This includes highlighting a PAC charitable match program, corporate responsibility efforts, foundation or charitable giving.

2. **Work to increase diversity and representation on your PAC board across race, age, political beliefs, management and non-management employees, business units, and more to ensure the PAC board is reflective of your company and its values.** Consider creating an advisory committee that is representative of employees, and provide information on how to give feedback to the board and your team. If you do not have a PAC board, start one.

3. **Conduct interviews with executive team members and survey other employees.**

- At the beginning of the interviews and at the top of the survey, state why government affairs is essential to the business and explain the legal, ethical and strategic principles that guide your political involvement efforts.
- Ask for their views on what's right/wrong with American politics, their personal willingness to engage in public policy issues, their concerns about political involvement, their awareness of the company's political activities, and their support for taking a bipartisan approach to those activities.
- Use the results of the interviews and survey to make judgment calls on campaign contributions, issue positions and other political actions that might be controversial. Corporate cultures vary considerably, and you'll gain insights on the potential for employee pushback to your government affairs decisions.
- Routinely engage with employee resource groups and other stakeholders to hear their perspectives, remain aware and discuss the PAC's efforts.
- The results will be useful in explaining your reasoning for PAC decisions. (For example, most employees will likely agree with having a bipartisan PAC, but that means that candidates from both major parties must receive some support. In addition, the interviews and survey will build good will and give you a benchmark to measure future efforts to educate employees about your political activities.

4. **Before each election cycle, communicate with employees to state your commitment to legal, ethical, strategic, and transparent decision-making on political contributions.** Make the same points to the executive team, but also alert them that there may be controversy or increased scrutiny about PAC decisions because of the nation's growing partisanship.

- Take sensitive conversations offline whenever possible. Go on a listening tour allowing employees to express themselves via a call or town hall meeting, communicating the PAC's purpose and decision-making approach through live conversation rather than email.
5. **Publish your PAC giving criteria on the company's website and in PAC materials along with thoughtful language about how you make judgment calls.** Invite feedback, but don't apologize or sound defensive about why the company is involved in politics. Also include a concise explanation of how corporate PACs represent campaign finance reform that works and serve the public interest.
 6. **When the PAC board meets to discuss PAC giving decisions, include your assessment of a candidate's potential to be a lightning rod for controversy.** If you agree to support a controversial politician despite the risks, be prepared to make your case internally and externally and decide how you will respond if employees or the public reacts negatively.