Chart of the Week

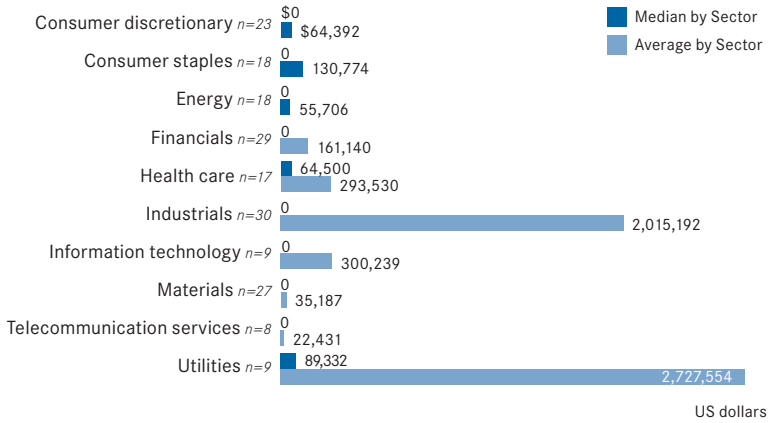
THE CONFERENCE BOARD INITIATIVE ON SUSTAINABILITY™

Political Contributions

FROM *SUSTAINABILITY PRACTICES: 2013 EDITION*

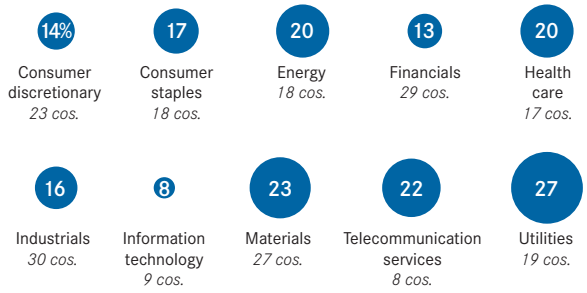
According to data from *Sustainability Practices: 2013 Edition*, 12 percent of S&P 500 companies reported their total political contributions, which came to a median of just over $100,000. A sector comparison of S&P Global 1200 companies shows that companies in the utilities sector were most likely to disclose political contributions, with over one-quarter of companies in this sector doing so. By comparison, only 8 percent of information technology companies reported their political spend. The utilities sector was not only most likely to disclose this information, but also reported the highest median political spend, followed by the health care sector. All other sectors reported a median of $0 in political contributions. An analysis of average instead of median contributions reveals there is a small group of companies in the utilities and and industrials sector spending significantly more on political contributions than their peers.

Political Contributions, Median and Average by Sector



Source: The Conference Board/Bloomberg, 2013.

Political Contributions, Disclosure Rate by Sector



Source: The Conference Board/Bloomberg, 2013.

Why it matters…

- Institutional shareholders and proxy voting advisors have become increasingly vocal about the need for public disclosure of corporate political contributions. In fact, during the 2013 proxy season, proposals related to political issues were introduced more frequently than any other proposal type.
- While many companies view participation in the political process as an important means of furthering their long-term strategic goals, such activity can also represent a significant risk, and companies should recognize that their contributions are likely to be closely monitored and scrutinized by their stakeholders.

For more information on this and over 70 other sustainability metrics, download *Sustainability Practices: 2013 Edition* at: http://www.conferenceboard.org/sustainabilitypractices or contact Matteo Tonello at matteo.tonello@conferenceboard.org

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