

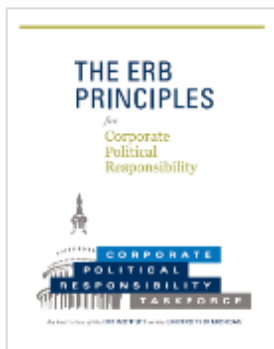


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Erb Principles for Corporate Political Responsibility

CPR Decision Tool & Executive Conversation Guide

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Full text - bit.ly/ErbPrinciples4CPR
Learn more - bit.ly/ErbCPRT



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C P R T

Introduction

In a high-stakes, hyper-politicized world, companies recognize the need for a more integrated, principled and defensible approach to their political engagements. They know both action and inaction carry significant risks, and want to make decisions they can stick with, that align with their commitments and responsibilities, and that they can articulate with respect to stakeholders across the political spectrum.

This CPR Decision Tool & Conversation Guide is part of a suite of tools and resources that make it easier for companies to take a principled and responsible approach.

Specifically, it is meant to help them apply the [Erb Principles for Corporate Political Responsibility](#) to weigh whether and how to engage in a specific political scenario.

Rather than prescribe solutions, this tool aims to spark leadership conversations, helping executives weigh tensions, refine their options and make difficult judgment calls. It is intended not to replace but to complement formal legal and expert advice.

To start, we recommend inviting a diverse group of leaders to complete this Guide on their own. Then, come together to compare notes and develop a draft decision. If there is time, you can conduct a deeper analysis, consult more stakeholders and recommend upgrades.

The next few pages will walk you through four steps in drafting a decision & clarifying the rationale you will communicate:

CPR Taskforce Tools & Resources

- [The Erb Principles for Corporate Political Responsibility](#)
- [CPR Decision Tool & Conversation Guide](#)
- [CPR Analysis Tool](#)
- [Election Readiness & CPR 2024: Solution Brief](#)

Company Documents to Have Handy

- Purpose & Values
- Business Strategy
- Key Commitments (to ethics, sustainability, stakeholders, etc)
- Stakeholder Mapping & Materiality Assessments
- Legal & Crisis Advice
- Political Risk Assessments

Step 1. What is the challenge?

Step 2. Should we engage in this area... and why?

Step 3. How can we engage responsibly?

Step 4. How will we communicate & follow up?

No

Step 1. What is the challenge?

What is the scenario we need to prepare for?

What stakeholders do we need to consider?

What makes it challenging?



Step 2. Should we engage in this area... and why?

Before deciding how to engage, it is important to consider whether the company has a legitimate basis for engaging in an area. Applying the Legitimacy Principle can help you clarify your rationale and communicate with respect for others concerns.*

Legitimacy		
Do we have an authentic basis for engaging in this area? <i>(requires at least 1)</i>	<input checked="" type="checkbox"/>	Your reflections
Commitment		
Does the issue affect our firm or its business?		
Does it have a material impact on key stakeholders?		
Does it relate to our purpose, values or other key commitments?		
Contribution		
Has our firm caused or contributed to the issue?		
Is our firm involved through its products, practices or people?		
Consequence		
Does the issue represent a threat to the foundational systems on which the economy, society or life depend – and does our firm have the capability to help?		
Can we address other legitimacy criteria?	<input checked="" type="checkbox"/>	Your reflections
Can we engage while complying with all laws and regulations, expressing the company's views (not individual managers') and avoiding pressuring or coercing stakeholders?		

Based on your answers, do you believe the firm has a legitimate basis to engage in this area?

Yes - Go to Step 3 No - Go to Step 4

* Legitimacy draws on the UN Guiding Principles on Business & Human Rights as a widely recognized test for salience.



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Step 3. How can we engage most responsibly?

If you believe you have a legitimate basis to engage, the next step is to think about how to do so **most responsibly** – knowing you face tradeoffs and competing obligations. This is the time to research creative options and test your assumptions, digging into why stakeholders might be concerned, exploring new resources and effective actions (see page 1 for a few ideas). Once you have outlined 2-3 options, test them for Accountability and Responsibility to avoid pitfalls and clarify your rationale.

What options should we consider?		
Option 1	Option 2	Option 3
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

Accountability		
Which option is most aligned for us?	#	Your reflections
...with our commitments to purpose, values, stakeholders & sustainability?		
...with our business goals or minimizes business risk?		
... with integrated oversight, proactive action on misalignments or stakeholder consultation?		
Responsibility		
Which option best supports the systems we depend on?	#	Your reflections
...for healthy market rules of competition?		
...for American constitutional democracy?		
...for informed civic discourse?		
...for avoiding adverse impacts on environmental sustainability, human rights & the public good?		

Based on your answers, which option do you consider most responsible?
Can you make it better?

Circle your recommended option and jot any notes, then go to Step 4.



Step 4. How will we communicate & follow up?

Lastly, consider how you will communicate with key stakeholders and follow through on action items related to your decision. Remember, deciding NOT to engage also requires careful attention to communication and respect for others’ concerns. Start by returning to the stakeholders you identified in Step 1, and outline messages to address their concerns; then test with the [Transparency Principle](#).

How will we communicate with key stakeholder groups?	
Stakeholder Group	Key Messages

Transparency		
Does this plan reflect open and honest communication to enable choice and trust?	<input checked="" type="checkbox"/>	Your reflections
Does it reflect transparency in our political activities and processes?		
Does it communicate our rationale openly, in ways that enable stakeholder choice and foster trust?		
Does it address stakeholder concerns with respect?		

What other action is needed to validate our decision and/or align our actions?

Based on your answers, highlight any areas where further consultation, investigation or action is needed, then agree on next steps.

Consider chartering a cross-functional team to dig deeper, using the Tools & Resources on page 1.

Also, we appreciate any feedback on this tool. Please reach out to dotye@umich.edu.

