# Corporate Political Responsibility "Caselets"

v.1 | July 28, 2023 – updated May 20, 2025

The following short cases are meant to help business educators introduce management dilemmas related to corporate political responsibility more flexibly than complete case studies. They do not provide conclusions on effective or ineffective management, but are meant to spark student discussion, drawing on the <u>four Erb Principles of Corporate Political Responsibility</u>. For suggestions on how to use these in management courses, please see Bringing CPR into the Business Classroom, by Gabriel Correa Acosta.<sup>1</sup>

 BLACKROCK AND ESG INVESTING: This case explores criticism of BlackRock's approach to Environmental, Social, and Governance (ESG) investing and how the company responded, including implications of ESG backlash within the investment community.

#### Selected Articles

- o <u>Break Up the ESG Investing Giants</u> (Dan Morenoff, Wall Street Journal, 2022).
- O What's behind the ESG investment backlash (Christine Ro, Forbes, 2023)
- Wall Street titans confront ESG backlash as a material risk (Patrick Temple-West & Brooke Masters, Financial Times, 2023)
- Tariq Fancy on Why We Need to Pull the Moral Cloak of Responsibility Away from Business (Lori Butterfield, Stanford, 2023)
- BlackRock steps up spending on US lobbying in face of anti-ESG attacks (Brooke Masters, Financial Times, 2023)

# Possible Discussion Question

O How should Blackrock respond to criticism of its ESG investing theme?

## Potentially Relevant Erb Principles

- Legitimacy (a), Accountability (a), Responsibility (d), Transparency (a)
- 2. UNGC CHILD LABOR LAWS AND PACKERS SANITATION SERVICES INC.: As the United Nations tightens its expectations around child labor, some US states and businesses face criticism for attempts to loosen existing child labor laws. Packers Sanitation Services paid \$1.5 million in civil penalties for employing children between the ages of 13 and 17. Some argue that less strict regulations can better equip children to enter the workforce. Some state lawmakers seek to relax regulations in cases where doing so is not preempted by federal law.

#### Selected Articles

States Are Loosening Restrictions on Child Labor (The Conversation, US News, 2023)

<sup>&</sup>lt;sup>1</sup> This report was prepared by the Erb Institute's Corporate Political Responsibility Taskforce student Research Assistants. It also references caselet descriptions included in Gabriel Correa Acosta's paper, available by searching here thecprhub.org/showcase.





- Child labor laws are under attack in states across the country (Jennifer Sharer & Nina Mast, Economic Policy Institute, 2023)
- <u>Critics Lose Their Mind as Arkansas Makes It a Bit Easier for Teens to Work (</u>J.D. Tuccille, Reason Magazine, 2023)
- O More than 100 Children Illegally Employed in Hazardous Jobs, Federal Investigation Finds; Food Sanitation Contractor Pays \$1.5m in Penalties (Department of Labor, 2023)
- O Business Actions to Eliminate Child Labor (United Nations Global Compact)

## Possible Discussion Question

 Should businesses be held responsible for enforcing global human rights standards in their supply chains?

## Potentially Relevant Erb Principles

- Responsibility (d), Transparency (b)
- **3. DISNEY AND THE STATE OF FLORIDA:** This case explores Disney's confrontation with Florida Governor Ron DeSantis over that state's Parental Rights in Education Act. The case highlights the ethical challenges that arise when businesses positions or values clash with government policies. It invites examination of corporate advocacy, perspectives on human rights and the complications arising when political contributions do not align with stated corporate values.

#### Selected Articles

- How Disney and DeSantis started feuding (Allison Morrow, CNN Businesses, 2023)
- LGBTQ Groups Outraged That Disney Denounced Georgia's 2016 Anti-Gay Law But Not Florida's New 'Don't Say Gay' Bill (Brian Welk, The Wrap, 2022)
- Disney to lose special tax status in Florida Amid 'Don't Say Gay' Clash (Brooks Barnes, NY Times, 2022)
- Right Wing protestors attempt Disney World "blockade" in support of "Don't Say Gay" Bill (Jon Skolnik, The Salon, 2022)
- Conservative Disney Employees fear reprisals in 'Don't Say Gay' debate, petition says (Brady Macdonald, OC Register, 2022)
- Disney drops part of its lawsuit against DeSantis to focus on free speech claims (Samantha Delouya, CNN, 2023)
- o Florida Gov. Ron DeSantis' feud with Disney World, explained (Kayla Jimenez, USA Today, 2023)
- o <u>In Florida, there's détente in the battle between Disney and Gov. Ron DeSantis</u> (Greg Allen, NPR, 2024)

## Possible Discussion Question

On what legitimate basis does a business weigh in on legislation related to human rights or other societal issues? Do businesses have free speech rights? How should they respond to political repercussions of their actions?

#### Potentially Relevant Principles

Accountability (a), Responsibility (b)





**4. LEGAL LIABILITIES AND OIL COMPANIES:** This case discusses legal and social pressures that oil companies face to account for their actions and communications concerning climate change and its effects on their own operations and the global energy supply.

#### Selected Articles

- o A Lawsuit Against Big Oil Gets Personal (Somini Sengupta, The New York Times, 2023)
- A Dutch court rules that Shell must step up its climate change efforts (Stanley Reed and Claire Moses, The New York Times, 2021)
- <u>Lawsuit alleging oil companies misled the public about climate change moves forward</u> (Rebecca Hersher, NPR, 2022)
- How the oil industry made us doubt climate change (Phoebe Keane, BBC, 2021)
- OPEC says oil industry unjustly vilified ahead of COP28 climate talks (CNBC, Spencer Kimball, 2023)
- o <u>Is Climate Risk More than Markets Can Handle?</u> (Stefano Giglio, Yale Insights, 2021)

## Possible Discussion Question

O Do businesses have a duty to inform the public about their understanding of climate change?

# Potentially Relevant Principles

- Legitimacy (c), Accountability (a,c), Responsibility (c,f)
- 5. MICROSOFT AND POLITICAL GIVING: This case addresses the strategic decisions that corporate boards make regarding political giving. It focuses on Microsoft's reaction to the events of January 6th as an example of how an employee caused a shift in corporate political donations. Comments by Microsoft's president, Brad Smith, are used to highlight some of the motivations behind the company's political donations.

## Selected Articles

- Microsoft suspends donations for politicians who attempted to overturn the 2020 election (Chaim Gartenberg, The Verge, 2021)
- Microsoft President Brad Smith explains how political contributions really work (Market Trading Essentials, 2021)
- Changes to political giving Microsoft on the Issues (Microsoft Blog, 2021)

## Possible Discussion Question

O Do you consider Microsoft's changes to PAC spending criteria to be politically responsible? Why or why not?

## Potentially Relevant Principles

- Accountability (a), Responsibility (b), Transparency (b)
- 6. TOYOTA AND POLITICAL GIVING: Explores how Toyota became a focus of media attention after the January 6th attack on the capital because the company had been the largest corporate donor to Congressional representatives who refused to recognize the outcome of the Presidential election. The resulting stakeholder pressure led Toyota to reverse some of its campaign spending decisions and then to change them again. The case explores the repercussions on the company's competitive position.







#### Selected Articles

- O Toyota Leads Companies in Election Objector Donations (Lachlan Markay, Axios, 2021)
- o Toyota defends lawmakers who objected certifying election (Joseph Choi, The Hill, 2021)
- Toyota Changes Stand, halts donations to election objectors (AP News, 2021)
- Toyota Statement on PAC Donations (Toyota Newsroom, 2021)

#### Possible Discussion Question

• Were Toyota's shifting policies a necessary response to stakeholder views? Was their strategy politically responsible?

# Potentially Relevant Principles

- Accountability (a), Responsibility (b), Responsibility (f), Transparency (b)
- 7. FACEBOOK AND FIRST AMENDMENT RIGHTS: This case focuses on the social media giant's struggle to balance content moderation against freedom of speech. It showcases the tension between tech companies' responsibilities to their users and to society at large, and the challenges of regulating digital platforms without infringing on fundamental rights. It raises particular concerns around pressure coming from the government.

## Selected Articles

- o Facebook Bowed to White House Pressure, Removed Covid Posts (Ryan Tracy, WSJ, 2023)
- <u>Facebook Files II: Biden Admin Pushes Facebook into COVID Censorship</u> (Newsbusters, Catherine Salgado, 2023)
- Facebook Files Continues to Show Damning Evidence on Big Tech's Collusion to Censor Americans (Rebecca Downs, TownHall, 2023)
- How Covid misinformation stayed one step ahead of Facebook (Ohilheiser, Vox, 2023)
- o Meta rolls back measures to tackle COVID misinformation (Reuters, 2023)

## Possible Discussion Question

 How should social media firms respond to pressures around content moderation and freedom of speech? What difference does it make if pressure comes from government representatives?

## Potentially Relevant Principles

- Responsibility (b,c), Transparency (b)
- 8. **PR FIRMS, BIG OIL AND GREENWASHING:** This case examines the role of public relations firms in shaping the public image and reputation of oil companies. It focuses on accusations that PR firms have aided the greenwashing efforts of Big Oil and explores how some creative employees on whom these firms rely are starting to refuse to work on oil company campaigns. Questions raised include how these companies can retain top talent and what clients they should serve to maintain alignment with their values. The case challenges students to consider how companies can ensure social responsibility, transparency, and accountability.

## Selected Articles

- Over 450 Scientists Sign Letter Calling on PR and Ad Agencies to Drop Fossil Fuel Companies (Jamie Henn, Clean Creatives, 2021)
- The Great Greenwashing Scam: PR Firms Face Reckoning After Spinning for Big Oil (Amy Westervelt, The Guardian, 2022)





- o <u>"We don't want to be the bad guys": Oil industry's sensemaking of the sustainability transition paradox</u> (Krista Halttunen, et al, Energy Research & Social Science, 2022)
- Accusations of 'greenwashing' by Big Oil companies are well-founded, a new study finds (Joe Hernandez, NPR, 2022)
- O PR Firms are facing a backlash for 'greenwashing' Big Oil- and the pressure on them is growing (Sam Meredith, CNBC, 2022)
- Position on Energy and the Environment (Edelman, est. 2022)

## Possible Discussion Question

• Are companies responsible for how their partners/clients contribute to civic discourse and perceptions on important societal topics?

## Potentially Relevant Principles

- Accountability (a), Responsibility (d), Transparency (a)
- 9. **THE UBER FILES:** This case explores how, in building its market position, Uber engaged in significant amounts of lobbying and influenced the policies of many countries. Now, newly disclosed documents show some of this lobbying involved practices that exposed their employees and drivers to risk, such as using information about public officials, destroying company information or hiding information from authorities. It invites students to explore the consequences of having these practices exposed, and implications for future leadership.

#### Selected Articles

- How Uber won access to world leaders, deceived investigators and exploited violence against its drivers in battle for global dominance (Sydney P. Freedberg, et. al., International Consortium of Investigative Journalists, 2022)
- o <u>Uber broke laws, duped police and secretly lobbied governments, leak reveals</u> (Harry Davies, et. al., The Guardian, 2022)
- 5 takeaways from "Uber Files" investigation into company's influence peddling (Megan Cerullo, CBS News, 2022)
- <u>'We will not make excuses': Uber Responds to Uber Files Leak</u> (Jill Hazelbaker, The Guardian, 2022)

# Possible Discussion Question

• When is lobbying for legislation needed to enable a new business model consistent with political responsibility? When is it politically irresponsible?

# Potentially Relevant Principles

- Responsibility (a,b,c), Transparency (a)
- 10. UBER, LYFT AND ABORTION LAWS: After the Supreme Court's decision in Dobbs v. Jackson Women's Health, which reversed Roe v. Wade, many states imposed more restrictive abortion laws. In some of these states, Uber and Lyft drivers have been sued for giving patients rides to clinics. Both rideshare companies have pledged to pay for their drivers' legal fees on the grounds that they were not involved with the reason a person might be taking a ride. The case invites discussion of whether this argument will hold up in court, and whether the companies should pursue alternative positions.





#### Selected Articles

- O <u>Uber and Lyft wade into abortion politics in Texas</u> (Shannon Bond, NPR, 2021)
- <u>Uber and Lyft will cover legal fees for drivers sued under Texas' Abortion Law</u> (Jessica Guynn, USA Today, 2021)
- Abortion Ruling thrusts companies into divisive arena (Anne D'Innocenzio and Haleluya Hadero, AP News, 2022)
- Companies vow to help employees access abortion after Roe vs. Wade is overturned (Melody Peterson, LA Times, 2022)

## Possible Discussion Question

 Are businesses responsible for engaging in legal issues surrounding societally-charged government policies?

## Potentially Relevant Principles

- Legitimacy (c), Responsibility (d)
- 11. UTILITY GROUPS AND POLITICAL SPENDING: Investigators have shown that utility companies contributed millions of dollars to 501(c)(4) organizations, commonly known as "social welfare organizations." Since they are permitted to engage in political activities, they often serve as "dark money" groups, to influence state energy policies. This case highlights the ethical and legal implications of those transactions. At the same time, it illustrates the complex ways in which corporate financial activities influence governmental decisions with an emphasis on the challenges of ensuring transparency and accountability in corporate political activities.

## Selected Articles

- Detroit area rep proposes ban on secret money from DTE, other utilities to politicians (Fox Detroit, 2023)
- New settlement agreement aims to put spotlight on DTE-linked dark money (Tom Perkins, Energy News Network, 2023)
- Exposing the utility playbook: Ratepayers are stuck paying the bill for utility corruption (Landon Stevens and Mark Pischea, Utility Dive, 2023)
- Power companies quietly pushed \$215m into US politics via dark money groups (Mario Ariza, The Guardian, 2023)
- O <u>DTE-linked dark money group funded campaign to strip Whitmer's lockdown authority, tax</u> records show (Tom Perkins, Planet Detroit, 2023)

## Possible Discussion Question

O Do companies have an obligation to be transparent about political contributions, even if the law does now require it? Why or why not?

#### Potentially Relevant Principles

- Legitimacy (a), Accountability (a), Responsibility (a,b), Transparency (a,b)
- 12. **TECH GIANTS AND NORTH CAROLINA LGBTQ LEGISLATION:** This case explores how several large tech companies got involved in North Carolina's legislation on bathroom usage, offering various rationales. This case is sometimes viewed as beginning a new era of corporate and CEO activism.

Selected Articles





- Guess How Much That Anti-LGBTQ Law is Costing North Carolina (Emma Grey Ellis, Wired, 2016)
- Apple and Tech Titans Condemn North Carolina Anti-LGBT Legislation (Davis Morris, Fortune, 2016)
- The Fascinating Thing that Happened When Apple CEO Tim Cook Stood Up for Gay Rights (Jeff Guo, Washington Post, 2016)
- o PayPal Withdraws Plan for Charlotte Expansion (PayPal, 2016)
- PayPal abandons plans to open facility in Charlotte because of LGBT law (Mark Berman, Washington Post, 2016)

## Possible Discussion Question

On what legitimate basis does a business weigh in on legislation related to human rights or other societal issues?

## Potentially Relevant Principles

Legitimacy (c), Accountability (a), Responsibility (b,d)

#### 13. ADDITIONAL ARTICLES THAT MAY BE OF INTEREST:

- Green credentials of world's largest investor questioned over oil industry emails (Rob Davies and Josephine Moulds, The Guardian, 2022)
- Republicans Can Stop ESG Political Bias (Mike Pence, Wall Street Journal, 2022)
- <u>Charles Schwab is Ending All Political Donations and Shutting Down It's PAC After Criticism</u> ([Nicholas Reimann, Forbes, 2021)
- Subverting Climate Science in The Classroom (Katie Worth, Scientific American, 2022)
- <u>Delta & revoking NRA discount following parkland shooting</u> (Max Prosperi, The Points Guy, 2019)



