



WHEREAS: According to public data collected by OpenSecrets.org, Verizon Communications Inc. and its employee PAC have ranked in the top 1% of political donors in every election cycle since at least 2012.¹

As the Supreme Court has explained, transparency in corporate electoral spending “permits citizens and shareholders to react to the speech of corporate entities in a proper way” by providing “shareholders and citizens with the information needed to hold corporations and elected officials accountable.”²

Greater political spending transparency is associated with “better internal corporate decision-making” and “facilitates a positive relationship between corporate political spending and future financial performance.”³

By contrast, political donations to candidates that do not fully align with a company’s stated values and commitments may create long-tail reputational risks to the Company when recipients engage in polarizing political acts. The impacts on a company may include difficulties in recruiting and retaining talented employees, shareholder dissatisfaction, and public backlash and boycotts.⁴

Verizon publicly discloses a policy on corporate political spending and its direct contributions to candidates, parties, and committees. Verizon does not, however, disclose information regarding misalignment between its political spending and the Company’s strategic and operational needs or its publicly stated values and vision as articulated in its corporate responsibility reporting.

As a result, investors are unable to determine if Verizon is directing its political expenditures in a way that is consistent with the Company’s strategic needs, values, and interests. Clear policies and reporting on Verizon’s political spending would provide investors with assurance that the inherent brand risk associated with political spending is well-managed.

BE IT RESOLVED: Shareholders request the Board annually report, at reasonable expense, on Verizon’s political and electioneering expenditures, identifying and

¹ <https://www.opensecrets.org/orgs/verizon-communications/summary?id=D000000079>

² https://www.fec.gov/resources/legal-resources/litigation/cu_sc08_opinion.pdf, p.55

³ <https://www.sciencedirect.com/science/article/abs/pii/S0929119918301135>

⁴ https://www.americanbar.org/groups/crsj/publications/human_rights_magazine_home/economics-of-voting/the-implications-of-corporate-political-donations/



analyzing incongruence between such expenditures and the Company's operational and strategic needs and its stated values and policies. The report should state whether Verizon has made, or plans to make, changes in contributions or communications as a result of identified incongruencies.

SUPPORTING STATEMENT: Proponents recommend, at management discretion, that Verizon include in its analysis metrics that illuminate the degree to which political contributions align with stated strategy, values, and policy priorities year-over-year and present such metrics in the aggregate. Proponents further recommend the report contain management's analysis of political spending risks to our Company's brand, reputation, or shareholder value that might arise from spending from the corporate treasury or from its PACs, directly or through third parties, which are reasonably susceptible to interpretation as being in support of or in opposition to a specific candidate.