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ISS Analyzes Trends in Corporate Political Activity Disclosures and Related Shareholder Proposals Over the Past Decade

[ISS Analyzes Trends in Corporate Political Activity Disclosures and Related Shareholder Proposals Over the Past Decade | Fenwick & West LLP - JDSupra](#)

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Institutional Shareholder Services (ISS) recently [reported](#) on trends in corporate political activity disclosures and related shareholder proposals over the past decade, noting that “[o]ver the past decade, shareholder proposals focused on political activity transparency have consistently ranked the highest in volume among proposals submitted at U.S. companies, outpacing all other environmental and social categories, including those related to climate change and human capital management.”

Following the Supreme Court’s 2010 Citizens United decision permitting unlimited corporate and union spending in elections, shareholder proposals focused on political activity transparency have surged, nearly doubling from 2010 (59 proposals submitted) to 2012 (117 proposals submitted), according to ISS.

The report finds that support levels for political activity-related proposals have remained high, averaging approximately 30% of votes cast over the past 10 years. Similar to trends seen with other environmental and social shareholder proposals, support for political activity-related proposals peaked in 2021, but dropped in 2024 (receiving median support of 25% of votes cast in 2024). ISS attributes this drop to (1) targeted companies having preemptively addressed these concerns through their actions and disclosures and (2) shareholder overreach. On this second point, ISS points to two new types of political activity-related proposals that have emerged in the last two years, which have been viewed by shareholders as overly prescriptive—one seeking global transparency in political spending outside the United States and the other asking companies to require trade associations or similar groups to disclose detailed expenditure information.

On the other hand, the report finds that shareholder proposal focusing on lobbying transparency have maintained support comparable to the 2021 peak year (receiving median support of 31% of votes cast in 2024).

The report also notes that a significant portion of political activity-related proposals have been withdrawn (approximately 33% over the 10-year review period), suggesting that companies and proponents have been able to reach common ground. However, in 2024, the percentage of withdrawn proposals subsided, mirroring broader market trends in shareholder proposal withdrawals.

According to the report, more than 80% of the political activity-related proposals have focused on transparency regarding corporate funds used for the purpose of political contributions or lobbying, including the recipients of such payments, often exceeding mandatory disclosure requirements.

Another type of proposal that has become common in recent years (about one-third of political activity-related proposals in the last three years), is the proposal calling for companies to assess the alignment of their lobbying activities with stated corporate initiatives and values, highlighting inconsistencies between public commitments on issues like climate change and human capital management and the positions of advocacy groups that these companies support.

Interestingly, ISS notes that about 70% of S&P 500 companies now voluntarily provide details on their political contributions or state that they do not engage in such payments. However, the level of disclosure is much lower for mid- and small-cap companies (less than a quarter non-S&P 500 companies in the Russell 3000 provide this information).

The level of transparency regarding lobbying activities is lower than that around political contributions, with only 43% of S&P 500 companies and less than 6% of Russell 3000 companies voluntarily disclosing information about their lobbying spending.

What's Next

In thinking ahead to the 2025 proxy season, companies should consider, among other things, their CPA-Zicklin Index score, which is issued annually by the Center for Political Accountability and the Wharton School's Zicklin Center for Governance and Business Ethics Research. This report is frequently used by shareholder proponents and ISS to help gauge a company's transparency related to its political spending and lobbying practices. The 2024 version was just [released](#).