

January 31, 2020

Vanessa A. Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: Comments on Proposed *Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8* (File Number S7-23-19)

Dear Secretary Countryman,

The Center for Political Accountability (“the Center”), a non-profit, non-partisan organization working to bring transparency and accountability to corporate political spending, appreciates the opportunity to comment on changes to the shareholder resolution process proposed by the Commission in Exchange Act Release No. 87458, “Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8” (the “Release”).

Since 2003, the Center has collaborated with close to 20 shareholder advocates, directly engaging companies to improve disclosure and oversight of their election-related spending. As a result of these efforts, 173 leading public companies have adopted political disclosure and accountability policies following agreements with shareholders and the Center. The Center strongly opposes the changes to Rule 14a-8 proposed in the Release.

## SUMMARY

The SEC’s shareholder proposal process has borne strong dividends for corporations – an accounting of which is conspicuously absent in the Release. The process provides an early warning system for management, alerting them to problems or issues that may have evaded their radar. It serves as a pressure release valve, allowing investors to push for incremental change without the burden and costs of newly imposed regulation. The proxy process also allows companies to engage with shareholders on specific issues, helping to avert unhealthy escalation of conflict.

The proposed rule changes would disproportionately hit small investors and their ability to wage multiyear campaigns for improved disclosure and policy changes. Specifically, the increased resubmission thresholds, as well as the new “momentum” requirement, would severely impair the capacity for investors to raise a new issue, spread awareness, and build sufficient support to force management to take action.

Indeed, an analysis hypothetically applying the currently proposed resubmission thresholds to all past proposals based on the Center’s model political disclosure resolution reveals both that successful efforts to bring disclosure and transparency to company political spending would have been blocked before

reaching a critical mass of support and that a number of efforts already receiving significant shareholder backing would have been excluded due to random year-to-year fluctuation in shareholder votes.<sup>1</sup>

Thanks in part to the proxy proposal process, voluntary corporate political disclosures are becoming a corporate governance norm and are a positive example of campaign finance reform achieved through private, not public, channels.<sup>2</sup> Moreover, these results were achieved without early support from institutional investors, who may be conflicted and whose interests are narrowly financial.<sup>3</sup>

Ironically, the SEC's move comes at a time when more shareholders are engaging with companies, and many board members have become more responsive to investor perspectives. It would be harmful to companies to undercut a long-held shareholder right when it has provided companies the benefit of lower risks and better investor relations. Further, the proposal would undermine Justice Anthony Kennedy and the Supreme Court's expressed faith in the "procedures of corporate democracy" to protect the First Amendment rights of shareholders.<sup>4</sup>

## BACKGROUND

American corporations are generous contributors and significant players in the political process through their support of candidates, political action committees (PACs), ballot measures, and organizations that seek to influence legislators, policymakers and regulators via election outcomes. Companies may choose to offer financial support to further their long-term goals or support public policies that are aligned with their business strategy. However, political spending always involves an element of the unknown, and these expenditures and activities can represent risks to corporations, their boards, and their shareholders.

### Corporate Participation in Election-Related Spending

The primary focus of the Center's efforts is on the use of corporate treasury funds to engage in election-related activity. Corporate PACs, which rely on voluntary contributions, tend to be highly regulated under federal and state law and are subject to broad disclosure requirements.<sup>5</sup> Much of corporate

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<sup>1</sup> Recommendation of the Investor-as-Owner Subcommittee of the SEC Investor Advisory Committee (IAC) Relating to SEC Guidance and Rule Proposals on Proxy Advisors and Shareholder Proposals 13 (Jan. 16, 2020), <https://www.sec.gov/spotlight/investor-advisory-committee-2012/iac-recommendation-proxy-advisors-shareholder-proposals.pdf> ("Even if a proposal is obtaining an overall increasing level of vote support over time, year-to-year votes can reasonably be expected to fluctuate due to random factors beyond the control of the sponsor, and that have little to do with the merits or support for the proposal.").

<sup>2</sup> Robert Yablon, *Campaign Finance Reform Without Law*, 103 Iowa L. Rev. 185, 212 (2017).

<sup>3</sup> Lucian A. Bebchuk and Scott Hirst, *Index Funds and the Future of Corporate Governance: Theory, Evidence, and Policy*, 199 Colum. L. Rev. 2029, 2035 ("Our analysis demonstrates that index fund managers have strong incentives to (i) underinvest in stewardship and (ii) defer excessively to the preferences and positions of corporate managers"); John C. Bogle, Op-Ed., *The Supreme Court Had Its Say. Now Let Shareholders Decide.*, N.Y. Times, (May 14, 2011), <https://www.nytimes.com/2011/05/15/opinion/15bogle.html> ("In fact, for decades, with a handful of exceptions, the participation of our institutional money managers in corporate governance has been limited, reluctant and unenthusiastic. Perhaps they feared angering clients whose pension and thrift funds they manage — that is, the very corporations whose shares fill their investment portfolios.") (Bogle was the founder and former chairman and chief executive of the Vanguard Group).

<sup>4</sup> *Citizens United v. FEC*, 130 S. Ct. 876, 911 (2010) ("There is, furthermore, little evidence of abuse that cannot be corrected by shareholders through the procedures of corporate democracy.") (internal citation omitted).

<sup>5</sup> Paul Denicola et al., *The Conference Board Handbook on Corporate Political Activity: Emerging Corporate Governance Issues* 5 (2010), [www.conferenceboard.org/retrievefile.cfm?filename=1189\\_1309335497.pdf&type=subsite](http://www.conferenceboard.org/retrievefile.cfm?filename=1189_1309335497.pdf&type=subsite).

political activity is financed with corporate treasury funds, and much of this spending is difficult if not impossible to track absent voluntary disclosures from companies.

*Contributions to candidate and party committees (direct)*

Corporations are prohibited from tapping their treasuries for direct contributions to federal candidates and national political parties, but many states permit direct contributions to state and local candidates (including judicial candidates), parties, and committees. Such contributions must be disclosed to varying degrees depending upon state law, but these disclosures are spread across 50 state campaign finance web sites, making it difficult for investors to track.

*Contributions to §527 political committees (direct)*

Corporations may also contribute to tax-exempt political committees organized under §527 of the Internal Revenue Code. These groups include Super PACs and partisan associations of governors, attorneys general, or state legislature candidates. Such contributions must be disclosed to the IRS (by the recipient 527 organization), and, in some cases, contributions must be disclosed to the Federal Election Commission as well.

*Contributions to ballot measure committees (direct)*

State and local ballot initiatives often attract hundreds of millions of dollars in corporate money. A Center for Public Integrity analysis of ballot measures in 2014 found that over 75% of the \$266 million contributed by the top 50 donors came from corporations and business trade groups.<sup>6</sup> Access to this data varies by state.

*Independent expenditures (direct)*

*Citizens United* opened the door for corporations and trade associations to make unlimited expenditures to support or oppose a candidate for public office. However, such expenditures cannot be coordinated with the candidate or official party committees.

*Payments to politically-active trade associations (indirect)*

Corporations pursue membership in industry trade associations for a variety of reasons, but many fail to exercise control over how their dues, special assessments, and other payments are used. Many trade associations are politically active, in some cases spending tens of millions of their members' dollars to support or oppose election campaigns. As trade associations are not required to disclose their members, voluntary disclosure by companies is the only way to find out who funds these activities. Some corporations prohibit their trade associations from using their payments for election related purposes. Absent such a restriction, companies should disclose their association memberships and the amount paid to each association, or at least the portion of such payments that are non-deductible under §162(e) of the Internal Revenue Code.

*Payments to other politically active tax-exempt groups, such as 501(c)(4) organizations (indirect)*

Corporations may also contribute to §501(c)(4) "social welfare" organizations, which are permitted to engage in limited election-related activity. These groups, like trade associations, are not required to disclose their donors, making corporate disclosure of this information especially important. Certain (c)(4)s are major political spenders and are closely associated with influential elected officials, raising

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<sup>6</sup> Chris Zubak-Skees and Liz Essley Whyte, *Who tried to buy the 2014 ballot measures?* The Ctr. for Publ. Integrity, Feb. 15, 2015, <https://publicintegrity.org/politics/state-politics/big-business-crushed-ballot-measures-in-2014/>.

the risk level for companies when they are solicited for contributions.<sup>7</sup>

### **Disclosure Becomes the Norm through Private Ordering**

Companies today are paying closer attention to their political spending and its impact.<sup>8</sup> In 2004, only one public company had adopted political disclosure policies; by October 2010, 76 major companies had adopted CPA's corporate governance model for political disclosure and accountability.<sup>9</sup> Today, that number has more than doubled to 173, as more and more companies recognize the risks of spending and benefits of disclosure and corporate board oversight. These companies recognize their duty as responsible stewards of other people's money to refrain from hiding in the dark corners of politics. In addition, three-fifths of the S&P 500 companies, the dominant source of corporate political money, have some form of disclosure, as measured by a CPA-Wharton School Zicklin Center for Business Ethics Research annual benchmarking of those companies' political disclosure and accountability policies.<sup>10</sup> As academics and journalists have noted, through a process known as private ordering, corporate political disclosure has become the norm.<sup>11</sup>

### **The Center's Model Shareholder Proposal on Political Disclosure**

Because it takes time to marshal persuasion and understanding from companies, the multiyear proxy process is central to the Center's effort. Shareholders are calling on companies to disclose their direct and indirect political spending with corporate funds and to adopt policies for decision-making and oversight of this spending.

Today there is strong support for shareholder resolutions calling for political disclosure and accountability. In the 2019 proxy season, proposals based on the Center's model resolution were filed at 56 companies. Of those 56, 13 companies reached agreements to adopt political disclosure policies. Thirty-three resolutions were listed on company proxy statements and went to a vote. Of those 33, two received majorities, 11 were in the 40-50% range and 12 were in the 30-40% range. The average vote was 36.4%.

The 2019 average vote was indeed a record high for the model proposal, but since the average vote on the resolution first cracked 30% in 2009, average support has fluctuated between 28 and 34%. The

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<sup>7</sup> Bruce F. Freed & Karl J. Sandstrom, *Dangerous Terrain: How to Manage Corporate Political Spending in a Risky New Environment*, Conf. Board Rev., Winter 2012, at 20, 22.

<sup>8</sup> Ctr. for Political Accountability et al., *The 2019 CPA-Zicklin Index of Corporate Political Disclosure and Accountability* 12 (2019) (enclosed as Appendix), <https://politicalaccountability.net/hifi/files/2019-CPA-Zicklin-Index-Report.pdf> ("Data from the 2019 Index reflect large U.S. public companies increasing overall their acceptance and practice of disclosure and accountability with regard to their election-related spending. . . . The new Index data suggest many companies are becoming sensitive to the risks of spending to influence politics and are taking steps to manage these risks or are strengthening existing practices.").

<sup>9</sup> Denicola et al., *supra* note 5, at 6.

<sup>10</sup> Ctr. for Political Accountability et al., *supra* note 8. The CPI-Zicklin Index has been published every year since 2011, though the benchmark only includes the full S&P 500 dating back to 2015.

<sup>11</sup> Yablon, *supra* note 2; Sarah Krouse and Theo Francis, *Companies Make Room for Investors Pushing Climate, Social Issues*, Wall St. J., (May 1, 2019), <https://www.wsj.com/articles/companies-make-room-for-investors-pushing-climate-social-issues-11556715600>.

resolution debuted in 2004 with average support of 9.1%, held steady in 2005, and more than doubled in 2006 to 22% in year three.<sup>12</sup>

That average support for the Center's model resolution has regularly fluctuated while maintaining a positive slope demonstrates that varying levels of support from year to year are not as important as the overall trend line. This calls into question the value of the proposed momentum requirement. Indeed, based on the fluctuation in *average support* for the Center's resolution, it is expected that individual resolutions refiled at the same company will experience even greater variability in support while continuing an overall upward climb.

## **PROPOSED RESUBMISSION REQUIREMENTS – A SOLUTION IN SEARCH OF A PROBLEM**

The proposed changes would disproportionately impact engaged investors who have successfully used shareholder proposals to get a vote on specific questions during the annual proxy process. Such proposals have given shareholders leverage to persuade companies to recognize and act on the social, environmental and governance risks that their actions may pose.

An examination of the performance of some of the Center's model resolutions had the currently-proposed resubmission thresholds already been in place illustrates the arbitrary nature of the revised 5/15/25 and momentum resubmission requirements. Numerous engagements leading to companies adopting political disclosure would have been cut short, impairing the ability of shareholders to hold management and directors accountable.

The analysis also belies significant shortcomings of the proposed revisions: the assumption, without evidence, that a proposal must receive majority support to be meaningful; the assumption that proposals failing to meet the 5/15/25 or momentum resubmission requirement are unlikely to ever receive meaningful support; and, the failure to account for or undertake any cost benefit analysis that includes settlement agreements leading to withdrawal of proposals.

### **Proposed Resubmission Rules Would Have Blocked Settlement Agreement with Alphabet Inc.**

For example, in 2016, Clean Yield Asset Management filed a proposal based on the Center's model resolution at Alphabet Inc., parent company of Google, which had scored a 32.9% score out of 100 on the 2015 CPA-Zicklin Index. 9.8% of shareholders supported the proposal the first year, and upon resubmission in 2017, 10.2% of shareholders voted in support. After refiling again in 2018, Clean Yield Asset Management and Alphabet reached a settlement where Alphabet adopted political disclosure and transparency in exchange for Clean Yield's withdrawing the proposal. Alphabet's score on the 2018 CPA-Zicklin Index jumped to 95.7% earning the designation of a "Trendsetter" company in corporate political disclosure and accountability.

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<sup>12</sup> Had the SEC's proposed revisions applied to *average support* for the Center's model resolution, it would have failed to reach the 6% second vote resubmission threshold and been excluded until 2009, the first year average support exceeded 30%. Despite support doubling from 2005 to 2006, the third year vote of 22% still would have failed the year 3 25% resubmission requirement under the new regime.

Had the SEC's proposed resubmission thresholds already been in place, the 2017 vote would not have met the 15% resubmission threshold, and any proposal on political disclosure would have been excluded for the next three years, including the proposal that was resubmitted in 2018 leading to a settlement agreement.

### **Alphabet Inc. Political Disclosure Resolution**

<b>Year</b>	<b>Vote Level</b>	<b>Existing Threshold</b>	<b>Proposed Threshold</b>
2016	9.8	3	5
2017	10.2	6	15
2018	<b>Proposal fulfilled by Alphabet; withdrawn</b>	10	Excluded

The performance of the proposal at Alphabet reveals three severe shortcomings of the SEC proposal: 1) the increased resubmission thresholds will prematurely exclude shareholder proposals that lead to meaningful policy changes at companies; 2) that a vote need not be anywhere near a majority to convince management of a proposal's value<sup>13</sup>; and 3) failure to take settlement agreements into account when evaluating the costs and benefits of the current and proposed regimes would make many engagements appear to be failures when in reality shareholders and the company reached an optimal outcome at minimal cost.<sup>14</sup>

### **Proposed Resubmission Rules Would Have Blocked Settlement Agreement with Goldman Sachs**

In the 2009 Proxy Season, 27.3% of shareholders supported Domini Impact Investments' political disclosure resolution, filed for the first time at Goldman Sachs. Support increased to 37.2% on the refilled resolution in 2010. Yet in 2011, support on the third vote dropped by 63% to 13.8%. Under the SEC's proposed resubmission requirements, the 13.8% vote would fail to meet the 25% resubmission threshold. Moreover, even if that vote had been as high as 33.4%, it still would have dropped by over 10% and would have failed to meet the momentum requirement. In any case, the proposed regime would have excluded resubmission of the proposal for the next three years, thus blocking the settlement agreement that was reached the very next year in 2012.

Following the agreement, Goldman placed in the First Tier of companies in the 2013 CPI-Zicklin Index and has since earned a 100% score in each of the last four CPI-Zicklin Index reports.

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<sup>13</sup> Alphabet Inc. reached a settlement agreement that fulfilled everything urged in the proposal the year after the proposal received 10.2% shareholder support. Moreover, the company met all of the shareholder's requests following a vote that would have failed under the new resubmission requirements.

<sup>14</sup> An analysis considering only the vote outcomes in 2016 and 2017 might conclude that the proponent saw little prospect of increased support and opted against refiling in 2018, a mistaken conclusion which, if believed, would lend support to the proposed 5/15/25 requirements.

### Goldman Sachs Political Disclosure Resolution

Year	Vote Level	Existing Threshold	Proposed Threshold
2009	27.3	3	5
2010	37.2	6	15
2011	13.8	10	25 (and loss of momentum)
2012	<b>Proposal fulfilled by company; withdrawn</b>	10	excluded

The performance of the proposal at Goldman again reveals glaring shortcomings of the SEC proposal: 1) the increased resubmission thresholds will prematurely exclude shareholder proposals that lead to meaningful policy changes at companies; 2) year to year fluctuations in support are not a reliable indicator of the viability or value of a proposal<sup>15</sup>; 3) a vote need not be anywhere near a majority to convince management of a proposal's value; and 4) failure to take settlement agreements into account when evaluating the costs and benefits of the current and proposed regimes would make many engagements appear to be failures when in reality shareholders and the company reached an optimal outcome at minimal cost.<sup>16</sup>

#### **Proposed Resubmission Rules Would Have Excluded JPMorgan Shareholder Proposal Twice and Blocked Settlement Agreement**

JPMorgan Chase was one of the inaugural companies to list the Center's political disclosure resolution on its proxy in 2004. 9.5% supported the resolution that first year, and after a one year hiatus, the proposal was back on the proxy in 2006 and received 28.9%. In 2007, however, support dropped to 12%, insufficient to meet the proposed 25% third vote resubmission threshold. Resubmitted again in 2008, support jumped back to 28.5% in the first year of what would have been a three year cooling off period under the proposed rules.

Shareholders did not resubmit the resolution at JPMorgan again until 2011, which also would have been the first year the resolution was eligible for resubmission under the proposed rules had it been excluded based on the 2011 vote – receiving 37.4% support. But in 2012 support dropped to 10.6%, less than a third the support from shareholders the previous year. Under the proposed rules the 2012 vote would have failed the 15% second-year resubmission threshold, thus there could have been no 2013 resubmission, which ultimately resulted in a settlement agreement.

After implementing the policies agreed to in the settlement, JPMorgan earned “Trendsetter” status on the CPA-Zicklin Index in 2013 and has since continued to strengthen its political disclosure and accountability policies, reaching a score of 97.1% in 2019.

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<sup>15</sup> This of course implicates the proposed momentum requirements and complete lack of evidence, data, or analysis beyond supposition from the Commission to support creating such a requirement.

<sup>16</sup> Much like the Alphabet engagement, an examination of the Goldman engagement that ignored the settlement agreement would lend support to the proposed 5/15/25 requirements.

### JPMorgan Chase Political Disclosure Resolution

Year	Vote Level	Existing Threshold	Proposed Threshold
2004	9.5	3	5
2006	28.9	6	15
2007	12	10	25
2008	28.5	10	Excluded
2011	37.4	10	5 (eligible for resubmission after cooling)
2012	10.6	10	15
2013	<b>Proposal fulfilled by JPMorgan; withdrawn</b>	10	Excluded

Once again, examination of this engagement reveals the same shortcomings of the SEC proposal: 1) the increased resubmission thresholds will prematurely exclude shareholder proposals that lead to meaningful policy changes at companies;<sup>17</sup> 2) year to year fluctuations in support are not a reliable indicator of the viability or value of a proposal; 3) a vote need not be anywhere near a majority to convince management of a proposal's value; and 4) failure to take settlement agreements into account when evaluating the costs and benefits of the current and proposed regimes would make many engagements appear to be failures when in reality shareholders and the company reached an optimal outcome at minimal cost.

### Proposed Resubmission Rules Would Have Blocked Settlement Agreement with Boeing

Much like the shareholder engagement at JPMorgan, shareholders submitted political disclosure resolutions that went to a vote at Boeing seven times before reaching a settlement with the company. In 2010, the resolution's fourth vote, support fell from 28.4% to 23.85%. As any resolution under the proposed rules must reach at least 25% in its third and any subsequent votes, proposals on the same topic would have been excluded in 2011, 2012, and 2013 under the SEC's proposal. Under the current regime, the resolution was resubmitted in 2011 for a vote of 22% and 2012 for 29.4%. After resubmitting again in 2013 – what would have been the third of the three year cooling off period – Boeing agreed to adopt political disclosure and transparency policies and shareholders withdrew the proposal.

Boeing made the top tier of companies in the 2013 CPA-Zicklin Index, continued to strengthen its policies, and has now been a Trendsetter in each of the last four Index reports.

<sup>17</sup> The proposed rules would have blocked this ultimately successful shareholder resolution on two separate occasions.



### Boeing Political Disclosure Resolution

Year	Vote Level	Existing Threshold	Proposed Threshold
2005	10.7	3	5
2007	28.1	6	15
2009	28.4	10	25
2010	23.85	10	25 (and loss of momentum)
2011	22.07	10	Excluded
2012	29.44	10	Excluded
2013	<b>Proposal fulfilled by Boeing; withdrawn</b>	10	Excluded

Again, this engagement follows a pattern where arbitrary assumptions and omissions on the part of the Commission in formulating the proposal would likely hamper precisely the type of low-cost, low-conflict engagements the Commission purports to encourage in the Release: 1) the increased resubmission thresholds will prematurely exclude shareholder proposals that lead to meaningful policy changes at companies; 2) year to year fluctuations in support are not a reliable indicator of the viability or value of a proposal; 3) a vote need not be anywhere near a majority to convince management of a proposal's value; and 4) failure to take settlement agreements into account when evaluating the costs and benefits of the current and proposed regimes would make many engagements appear to be failures when in fact shareholders and the company reached an optimal outcome at minimal cost.

### Proposed Resubmission Rules Would Have Excluded AT&T Shareholder Proposal Twice and Imperiled Eventual Adoption of Political Disclosure

Shareholders have filed and brought to a vote at AT&T the Center's political disclosure resolution twelve times, dating back to 2005 when the company was still operating as SBC Communications. Under the proposed rules, the resolution would have failed on its third vote after receiving 13.3%. During what would have been a cooling off period under the SEC's rulemaking proposal, shareholders resubmitted twice, earning 31.9% shareholder support at both annual meetings.

Shareholders resubmitted again in 2011 – the first year the resolution would have been eligible for resubmission under the proposed revisions – getting 31% support. Support increased to 38.6% in 2012 but dropped in 2013 to 25.4%. Though not an insignificant level of support, the 2013 resolution would have failed the proposed momentum requirement, leading to another three years of exclusions. During the would-be cooling off period of 2014-2016, the proposal received 24.6%, 25.6%, and 29% shareholder support respectively. In 2017, the first year the proposal would have been eligible for resubmission under the proposed revisions, 30% of shareholders voted in support.

Though no further resolutions were filed on election related spending, by 2019 AT&T management came to appreciate the value of the proposal shareholders persisted in bringing to a vote twelve times and adopted political disclosure, accountability, and transparency policies. Indeed, AT&T earned the Trendsetter designation for the first time in the 2019 CPA-Zicklin Index with a score of 97.1%.

### AT&T Political Disclosure Resolution

Year	Vote Level	Existing Threshold	Proposed Threshold
2005 <sup>18</sup>	12.5	3	5
2006	15.2	6	15
2007	13.3	10	25
2008	31.9	10	excluded
2009	31.9	10	excluded
2011	31.0	10	5 (eligible for resubmission after cooling)
2012	38.6	10	15
2013	25.4	10	Loss of Momentum
2014	24.6	10	excluded
2015	25.6	10	excluded
2016	29.0	10	excluded
2017	30.0	10	5 (eligible for resubmission after cooling)
2019		<b>AT&amp;T updates policies, designated "Trendsetter" in 2019 CPA-Zicklin Index</b>	

Unlike the shareholder engagements discussed previously, AT&T did not adopt political disclosure as part of a settlement agreement predicated on withdrawal of a pending shareholder resolution. In this instance, there was no shareholder pressure or leverage in the form a pending proxy vote on election-related spending. In this instance, the company undertook its own cost benefit analysis and decided that adopting political disclosure was a net benefit. Further, this engagement illustrates the benefits of shareholders persisting and building support and educating a company over 15 years of engagement before breaking through.

And the proposed rules would make such a long-term engagement near impossible, as shareholders would have had to wait resubmit for three years on two separate occasions under the proposal. The shortcomings of the SEC's proposal that apply to this engagement merit repetition: 1) the increased resubmission thresholds will prematurely exclude shareholder proposals that lead to meaningful policy changes at companies; 2) year to year fluctuations in support are not a reliable indicator of the viability or value of a proposal; and, 3) a vote need not be anywhere near a majority to convince management of a proposal's value.

### Curious Fixation on Majority Support, Conspicuous Indifference to Settlements

The Center is particularly concerned by the proposal's assertion and insistence without evidence that a majority vote is necessary to be meaningful and to move management. In the Center's experience this is

<sup>18</sup> At the time of filing the company was operating as SBC Communications.

simply not the case, and such an assumption woefully misconstrues the goals and motivations of shareholders.

Shareholders the Center has partnered with over the years take the initiative to engage because they care about the long term value of the company in which they are invested and they care about addressing the issues raised in the proposal. Accordingly, the ultimate goal of shareholders filing the political disclosure resolution is not a majority vote or a high vote – the goal is to avoid a vote entirely. By reaching a settlement in which the company agrees to adopt the proposal, shareholders avoid the unpredictable nature and fluctuations inherent to shareholder votes. Even with a high or majority vote, there is no certainty a company will comply with the advisory proposal. A settlement agreement brings certainty to the outcome and has the benefit of happening sooner.<sup>19</sup>

Of the 455 proposals based on the Center’s model resolution that went to a vote, only 12 have ever received majority support. Yet the Center’s shareholder partners have reached settlement agreements – predicated on the company’s adoption of disclosure and accountability in its corporate election-related spending – with 173 companies.

It appears that the Commission’s focus on majority support is related to its indifference to settlement agreements. Had the commission grappled with the fact that management regularly settles with shareholders after votes that would not survive the proposed second year resubmission threshold, the rationale for the increased resubmission thresholds and worship of the majority vote would have been discarded, or at the very least adjusted.

## CONCLUSION

The SEC’s existing shareholder proposal process has benefited corporations. It serves as an early warning system for management and as a pressure relief valve. It provides companies an opportunity to meaningfully respond to public concerns on issues that transcend the daily operating demands on companies but are finding expression in our national political debate. It also acts to spur companies to address serious issues affecting their bottom line. Climate change is a prime example as is political spending that today poses a heightened risk with the rise of social media and Millennial activism.

As engagements with Alphabet, Goldman Sachs, JPMorgan Chase, Boeing, and AT&T show, the proposed rules would have severely impaired the ability of shareholders to spread awareness and build support for critical issues impacting shareholder value and long-term growth. Indeed, these engagements that would have been blocked, sometimes multiple times under the proposed rules, are in fact fine examples of corporate democracy working as intended.

When the Supreme Court eased limits on corporate election-related spending a decade ago, it nonetheless underscored important principles of corporate democracy and political disclosure. Justice Anthony Kennedy’s majority opinion in *Citizens United* underlined protections afforded shareholders “through the procedures of corporate democracy.”<sup>20</sup> At the same time, he wrote that disclosure “permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency

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<sup>19</sup> Settlement agreements are typically reached prior to the printing of a Company’s annual proxy statement so that the company need not include the proposal in its statement.

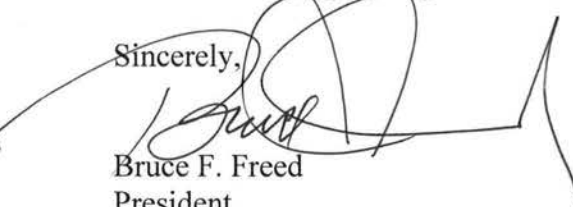
<sup>20</sup> *Citizens United v. FEC*, 130 S. Ct. 876, 911 (2010).

enables the electorate to make informed decisions and give proper weight to different speakers and messages.”<sup>21</sup>

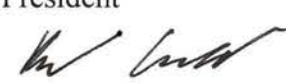
Those “procedures of corporate democracy” were sufficient in the Court’s view to “protect[] dissenting shareholders from being compelled to fund corporate political speech.”<sup>22</sup> But the extent to which the SEC’s proposed rules undermine the protections of all shareholders – particularly individuals and small shareholders – calls into question whether dissenting shareholders will be sufficiently protected from being compelled to fund corporate political speech in contravention to their First Amendment rights.

To preserve the protections corporate democracy affords to shareholders espoused by Justice Kennedy, and to preserve shareholders’ ability to press companies to adopt policies that safeguard shareholder value while safeguarding our democracy, the Center urges the SEC to reject the pending proposal.

Sincerely,



Bruce F. Freed  
President



Dan Carroll  
Vice President for Programs

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<sup>21</sup> *Id.* at 916.

<sup>22</sup> *Id.* at 911.

# The 2019 CPA-Zicklin Index of Corporate Political Disclosure and Accountability

*Strong Growth in Political Disclosure as Companies Navigate Today's Incendiary Politics*



CENTER FOR  
POLITICAL ACCOUNTABILITY

The Carol and Lawrence

**ZICKLIN CENTER**

for Business Ethics Research



**Wharton**  
UNIVERSITY of PENNSYLVANIA







## **ABOUT THE CENTER FOR POLITICAL ACCOUNTABILITY**

The Center for Political Accountability (CPA) is a non-profit, non-partisan organization working to bring transparency and accountability to corporate political spending. It was formed to address the secrecy that cloaks much of the political activity engaged in by companies and the risks this poses to shareholder value. Collaborating with more than a dozen shareholder advocates, CPA is the only group directly engaging companies to improve disclosure and oversight of their election-related spending. This includes soft money contributions and payments to trade associations and other tax-exempt organizations that are used for political purposes. The Center aims to encourage responsible corporate political activity, protect shareholders, and strengthen the integrity of the political process. As a result of the efforts of CPA and its partners, more than 175 leading public companies have adopted political disclosure and oversight.

## **ABOUT THE ZICKLIN CENTER FOR BUSINESS ETHICS RESEARCH AT THE WHARTON SCHOOL OF THE UNIVERSITY OF PENNSYLVANIA**

The Carol and Lawrence Zicklin Center for Business Ethics Research was established in 1997. The mission of the Center is to sponsor and disseminate leading-edge research on critical topics in business ethics. It provides students, educators, business leaders, and policy makers with research to meet the ethical, governance, and compliance challenges that arise in complex business transactions. The Zicklin Center supports research that examines those organizational incentives and disincentives that promote ethical business practices, along with the firm-level features, processes, and decision making associated with failures of governance, compliance, and integrity.

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# FOREWORD

Leo E. Strine, Jr.

Before *Citizens United*, bipartisan legislation constrained the influence of huge corporations on our nation's politics. That legislation restricted corporations to spending funds that they raised from voluntary contributions from stockholders and employees. But *Citizens United* upset that sensible balance, based not just on a newly discovered understanding not only of our Constitution, but an erroneous understanding of corporate law.

Since then, American corporations have helped generate a huge increase in political spending, tilting the playing field much more heavily in favor of the wealthiest interests, and against those of the middle class. Each industry is now freer to exert influence in its favor, increasing the systemic risk to Americans, as workers, consumers, and breathers of air and drinkers of water. The sum total of corporate rent-seeking takes the form of a less healthy environment, a disastrously slow approach to addressing climate change, more unsafe products on the market, and worse working conditions and pay for American workers. That this rent-seeking is undertaken with funds that American workers must give over to institutional investors every month makes this acceleration of political influence-seeking even more inequitable.

Companies themselves face heightened risks from the Wild West environment that now surrounds political spending. Contributions that conflict with their core values and positions endanger their reputations, their relationship with consumers and employees and their bottom lines. They're also exposed to the threat of coercion by the rise of secretive "social welfare" organizations associated with powerful interests. If uncorrected, this incentive system will make the recent commitment of the Business Roundtable to run companies in a sustainable way that is fair to workers and socially responsible impossible to fulfill.

Fundamental reform of this unsavory reality is overdue. But until then, the very least that should be expected is for Americans to know what powerful corporations are doing to influence our political system. Too often, I have heard even Ivy-law tenured faculty say, "Well, isn't most of the money coming from wealthy individuals and privately controlled corporations?" They say this in ignorance of the facts about public companies' political spending practices.

But the facts are hard to come by because the law does not require the full disclosure of what dollars public companies dole out for political advantage. What can be seen now is misleadingly incomplete, and it far understates the distorting influence of big corporate money on our political system and the outcomes it produces. Research by the Center for Political Accountability is helping to end the misperceptions about the level of corporate money influencing politics today. It shows that public companies and their trade associations were dominant and influential political funders at the state level over the past decade.

How is business responding to calls for change? The number of S&P 500 companies with the strongest political disclosure and accountability policies jumped 28 percent to 73 this year from 57 in 2018. And the number disclosing some or all of their political spending with corporate funds

increased to 316 this year from 294 last year. These are some key findings of the 2019 CPA-Zicklin Index, and let's hope that the BRT's revitalized embrace of fair and sustainable business practices will soon manifest itself in even greater progress in this crucial area.

The tireless work of CPA in producing the CPA-Zicklin Index and important reports like "Collision Course"<sup>1</sup> is vital to the long-term restoration of a fair balance in our democracy between the human citizens who constitute "We The People" and our corporate creations. By shining a light on corporate conduct, the Index encourages greater corporate integrity. The Index asks a question of not only the public corporations it surveys, but also the large institutional investors who have Americans' savings and who vote on shareholder resolutions calling on companies to adopt political disclosure and accountability policies: On what legitimate basis are you using other people's capital to influence our political process -- and are you willing to defend your behavior in the public square on the full facts?

*Leo E. Strine, Jr. is the Chief Justice of the Delaware Supreme Court, and an adjunct faculty member at the University of Pennsylvania and Harvard Law Schools.*

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<sup>1</sup> CENTER FOR POLITICAL ACCOUNTABILITY, COLLISION COURSE: THE RISKS COMPANIES FACE WHEN THEIR POLITICAL SPENDING AND CORE VALUES CONFLICT AND HOW TO ADDRESS THEM (June 9, 2018), [http://files.politicalaccountability.net/reports/cpa-reports/Final\\_Draft\\_Collision\\_Report.pdf](http://files.politicalaccountability.net/reports/cpa-reports/Final_Draft_Collision_Report.pdf).

# ACKNOWLEDGMENTS

The 2019 CPA-Zicklin Index was written by the Center for Political Accountability team, comprised of Bruce Freed, CPA President; Karl Sandstrom, CPA Counsel and Senior Counsel with Perkins Coie; Dan Carroll, CPA Vice President for Programs; and Peter Hardin, CPA Writer and Editor.

Preliminary company data was collected by Liam Daly, Andrew Isaac, and Billy Kennedy, CPA research analysts.

The Center is grateful to the Carol and Lawrence Zicklin Center for Business Ethics Research of the Wharton School of the University of Pennsylvania. CPA and the Zicklin Center first announced in 2007 a collaborative effort on corporate governance and corporate political accountability. CPA thanks **Lawrence Zicklin**, whose wise counsel and generosity made the CPA-Zicklin Index possible; **Professor William S. Laufer** of the Wharton School and director of its Zicklin Center, who first proposed the Index to CPA in July 2009; and **Peter Kinder**, former president of KLD Research & Analytics Inc., who helped develop the original list of indicators used in compiling the Index and worked closely with CPA in testing and finalizing the indicators.

CPA thanks its advisory committee, created to develop an objective system for scoring companies' policies and practices on political disclosure and accountability. Advisory committee members include: Julia Fox Gorte, Ph.D., Senior Vice President for Sustainable Investing, Impax Asset Management LLC and Pax World Funds; Lloyd Kurtz, Head of Social Impact Investing, Wells Fargo Private Bank; William S. Laufer, Professor of Legal Studies and Business Ethics, Sociology, and Criminology, and Director, The Carol and Lawrence Zicklin Center for Business Ethics Research; and Blaine Townsend, Senior Vice President, Director, Sustainable, Responsible and Impact Investing Group, Bailard Inc.

CPA thanks Bailard Inc., a majority employee-owned institutional asset management and wealth advisory firm headquartered in Foster City, California, for its support for the Index.

# 2019 CPA-ZICKLIN TRENDSETTERS



Johnson & Johnson



Kellogg's

INTERNATIONAL  PAPER



McKesson



Morgan Stanley

UNITEDHEALTH GROUP



VISA



# EXECUTIVE SUMMARY

The annual CPA-Zicklin Index has been published since 2011. This year's Index is being released in the run-up to the contentious 2020 elections and at a time when defining the meaning of corporate responsibility is a central topic of debate.<sup>2</sup>

**Data from the 2019 Index reflect large U.S. public companies increasing overall their acceptance and practice of disclosure and accountability with regard to their election-related spending. There is mounting pressure on companies to take a stand on some of the foremost public policy issues of the day. Businesses have become engaged on major social issues “in a way that would have been unfathomable a decade ago,” according to the New York Times.<sup>3</sup> The new Index data suggest many companies are becoming sensitive to the risks of spending to influence politics and are taking steps to manage these risks or are strengthening existing practices.<sup>4</sup>**

## “Core” S&P 500 Companies

The average Index score evaluating overall political disclosure and accountability for the 399 companies that have remained constant members of the S&P 500 since 2015<sup>5</sup> has continued to rise, from 41.6 in 2015 to 53.3 in 2019, a one-quarter increase.<sup>6</sup> These core companies have maintained an unyielding commitment to political disclosure and accountability. In doing so, they are establishing it as a corporate governance norm. Sixty-nine core companies, or more than one-sixth of all constant S&P 500 members since 2015, received scores of 90 percent or higher and designation as CPA-Zicklin Index Trendsetters.

In addition, the number of core companies fully disclosing or prohibiting election-related spending has increased since last year for each of the five categories of spending evaluated by the Index, as well as for each of the five categories since 2015.

These straight-line increases demonstrate trends for adoption and strengthening of political disclosure and accountability policies and practices.

## All S&P 500 Companies

The universe of all S&P 500 companies is larger (496 companies). For all S&P 500 companies, too, there is continuing improvement in numerous key measures examined by the Index.

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2 See DIRECTORS & BOARDS, NEWSLETTER (Sept. 16, 2019), <https://bit.ly/35ZYCER>.

3 Andrew Ross Sorkin, *‘Simply Unacceptable’: Executives Demand Senate Action on Gun Violence*, N.Y. TIMES: DEALBOOK (Sept. 12, 2019), <https://www.nytimes.com/2019/09/12/business/dealbook/gun-background-checks-business.html>.

4 Disclosure is a valuable step to mitigating risk by bringing discipline to decisions making and oversight of a company's political spending and the transparency that could protect a company from extortion or shakedown. Accountability is a critical part of this in establishing policies to govern company political spending and ensuring board oversight of the company's election-related spending.

5 The Index began evaluating all companies in the S&P 500 in 2015.

6 The composition of the S&P 500 fluctuates, and the list of S&P companies to be evaluated on the Index is pulled annually in April. Because of this fluctuation, only 399 of the 496 companies evaluated in 2019 have remained constant members of the S&P 500 since 2015.



**CPA-ZICKLIN TRENDSETTERS:** 73 companies in the S&P 500 received scores of 90 percent or higher, earning designation as Trendsetters. This number rose from 57 in 2018 (up 28 percent). In 2015, there were 28 Trendsetters, and the number of companies receiving the top designation increased by 160 percent since then. Trendsetter companies in 2019 span a broad cross section of the U.S. economy. Four companies scored 100 percent.

**IMPACT OF SHAREHOLDER ENGAGEMENT:** For all five years that the Index has evaluated the S&P 500, there has been a strong positive correlation between shareholder engagement and the company's Index score. Of 16 companies receiving the highest scoring increase since 2018 (of 50 points or higher), shareholders engaged 12. For the 21 companies whose scores increased by 40 points or more, shareholders engaged 15. Shareholders engaged more companies in 2019, and more disclosure and accountability agreements were reached.

**MOST-IMPROVED COMPANIES:** Rated "most-improved" for gains in their overall scores of 50 percentage points or more are 16 companies: Fortune Brands Home & Security; MSCI Inc.; Alexion Pharmaceuticals Inc.; American Water Works Co., Inc.; Chubb Ltd.; Kohls Corp.; SVB Financial Group; WestRock Co.; Ball Corp.; PVH Corp.; Ford Motor Co.; Equinix Inc.; Lowe's Companies Inc.; Macy's Inc.; Autodesk Inc.; and Mondelez International Inc.

**AVERAGE SCORE:** For all companies in the S&P 500, the average total score is 47.1 percent in 2019, slightly improved from 44.1 percent last year.

**DISCLOSURE OR PROHIBITION:** This year, 316 companies said they disclose some or all of their election-related spending or prohibit such spending, compared with 294 last year. And 186 companies said they prohibit at least one category of election-related spending, compared to 176 in 2018.

When these numbers are broken down further, 251 companies disclosed some or all election-related spending in 2019 compared to 231 in 2018.

**COMPANIES PROHIBITING OR ABSTAINING FROM ALL POLITICAL SPENDING:** Twelve companies prohibited the use of corporate assets to influence elections and asked third parties not to use company payments for election-related purposes. Ten companies did so in 2018.

An interesting side note is that during the data collection and scoring process for this Index, CPA had serious, substantive conversations with 60 companies that contacted it about their political disclosure and accountability policies. In some cases, the conversations resulted in company adoption or strengthening of policies; in others, companies committed to making changes in time for the 2020 Index.

# INTRODUCTION

## IN CHANGING TIMES, MORE COMPANIES TAKING A STAND

Findings of the Index can only be judged in the context of the current political climate.

With virtual gridlock in Congress and issues such as climate change, gun violence and race in the forefront of debate, companies are increasingly asked to take stands and exercise leadership. In August, the mainstream Business Roundtable acknowledged these changing attitudes when it issued a new statement on the purpose of corporations, signed by 181 U.S. CEOs.<sup>7</sup>

“While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders,” the group said. “We commit to deliver value to all of them, for the future success of our companies, our communities and our country.” It vowed to “protect the environment by embracing sustainable practices across our businesses” and “foster diversity and inclusion, dignity and respect.”

**TAKING A POLICY OR POLITICAL STAND MEANS TAKING A RISK:** As companies and their leaders carve out more public positions or make political donations, consequences such as backlash, threats of boycotts, and accusations of hypocrisy are triggered. These reactions are accelerated and amplified by social media.<sup>8</sup>

Last summer there were widespread calls for boycotts of SoulCycle and Equinox after news reports that an owner was preparing to host a high-dollar political fundraiser for President Trump. Last year, political action committees for Aetna, Walmart, Major League Baseball and others sought refunds of their campaign donations to Republican Sen. Cindy Hyde-Smith of Mississippi after she made a joke about wanting a front-row seat if a public lynching were held. (She was re-elected.)

**TAKING CONTROL OF POLITICAL SPENDING:** Companies may not pay close enough attention to the consequences of donating to candidates or political organizations, or they may lose control of how their money is spent. The Popular Information newsletter, for example, spotlighted six corporations it said were “financing the war on women in six states” that had passed “some of the country’s most extreme abortion bans.”<sup>9</sup> The newsletter continued, “In their corporate literature, these companies present themselves as champions of women and gender equality. But they have collectively donated hundreds of thousands of dollars to politicians seeking to roll back reproductive rights.”

Another example: A Boston Globe publication reported that the three leading U.S. contraceptive manufacturers -- Pfizer, Merck and Johnson & Johnson – donated \$401,000 to a political committee in the 2018 election cycle that helped elect candidates to the Georgia, Missouri and Alabama

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<sup>7</sup> *Business Roundtable Redefines the Purpose of a Corporation to Promote ‘An Economy That Serves All Americans’*, BUS. ROUNDTABLE (Aug. 19, 2019), <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>.

<sup>8</sup> CENTER FOR POLITICAL ACCOUNTABILITY, *supra* note 1.

<sup>9</sup> *These six corporations are financing the war on women in six states*, POPULAR INFO. (May 20, 2019), <https://popular.info/p/these-six-corporations-are-financing>.

legislatures “that passed bills that greatly restricted abortion. And,” it added, “many lawmakers who oppose abortion also object to contraception.”<sup>10</sup>

Some leading companies, however, are adopting transparency and accountability policies for their political spending, whether reacting to a lesson learned or shareholder activism<sup>11</sup> or combined factors. Two of the largest companies to receive Trendsetter status in this year’s Index, AT&T and General Electric, are examples.

AT&T jumped from an overall score last year of 75.7 to 97.1 this year with new disclosure practices that responded to shareholder advocacy and to a “public relations fiasco” involving longtime Trump attorney Michael Cohen and AT&T payments to a shell company; Cohen tapped it for money to silence a porn actress’s allegations about the president, according to the Dallas Morning News.<sup>12</sup> “In our political spending disclosures, our objective is best-in-class transparency, and we look forward to continued leadership in this area,” AT&T General Counsel David McAtee told Corporate Counsel.<sup>13</sup>

General Electric rose from an overall Index score of 80.0 in 2018 to 97.1 this year. As a result of engagement by shareholders, it moved from limited to full disclosure of payments to trade associations and from no disclosure to full disclosure of donations to so-called “social welfare” organizations, and a shareholder resolution was withdrawn. A company spokesperson said GE had appreciated its dialogue with shareholders. The GE agreement came as the campaign for corporate political disclosure and accountability achieved a highly successful 2019 proxy season.<sup>14</sup>

**LOOKING AHEAD TO 2020:** An incendiary political atmosphere will only become more volatile ahead of the 2020 elections. A presidential impeachment inquiry also is heightening division. With election spending again expected to set new records and<sup>15</sup> the “shadow” of anonymous or so-called political “dark money” growing,<sup>16</sup> U.S. companies will further be in the crosshairs, whether under attack from the White House or under scrutiny by media, shareholders, workers and consumers.

When the Business Roundtable endeavored to redefine the purpose of corporations, it sparked controversy. It also left questions unanswered. Its statement said the signers were committed “to transparency and effective engagement with shareholders,” while it did not say what that means.<sup>17</sup> Seventy-three Trendsetter companies, meanwhile, are setting model corporate governance best practices for operating in the most sharply divided political climate in recent memory. These companies choosing sunlight and accountability in their political spending are among the largest and most influential publicly held corporations in the nation.

10 Ed Silverman, *Pharma contributions to politicians who support restricting abortions could reverberate*, STAT NEWS (July 24, 2019), <https://www.statnews.com/pharmalot/2019/07/24/merck-pfizer-jnj-abortion-republicans/>.

11 David Saleh Rauf, *AT&T peels off layer of political spending secrecy — thanks to pushy investors and the Michael Cohen fiasco*, DALLAS MORNING NEWS (Mar. 21, 2019), <https://www.dallasnews.com/business/local-companies/2019/03/21/att-peels-off-layer-of-political-spending-secrecy-thanks-to-pushy-investors-and-the-michael-cohen-fiasco/>.

12 *Id.*

13 Sue Reisinger, *Exxon Mobil, 30 Other Companies Face Shareholder Votes on Political Spending*, CORP. COUNS. (May 7, 2019), <https://www.law.com/corpcounsel/2019/05/07/exxon-mobil-30-other-companies-face-shareholder-votes-on-political-spending/>.

14 Thirteen companies reached agreements to adopt policies to disclose their political spending and for board oversight and accountability policies. Thirty-three resolutions went to a vote, with two of them receiving majorities and 11 in the 40 percent range.

15 Brad Adgate, *2020 Elections Will Set (Another) Ad Spending Record*, FORBES (Sept. 3, 2019), <https://www.forbes.com/sites/bradadgate/2019/09/03/the-2020-elections-will-set-another-ad-spending-record/#3e96a7391836>.

16 Kenneth P. Doyle, *Shadow of Dark Money Grows as 2020 Groups Shun Donor Disclosure*, BLOOMBERG GOV. (Aug. 2, 2019), <https://about.bgov.com/news/shadow-of-dark-money-grows-as-2020-groups-shun-donor-disclosure/>.

17 Letter from CPA to Business Roundtable (Sept. 11, 2019), <https://politicalaccountability.net/news/press/cpa-letter-to-business-roundtable-on-brt-statement>.

**BASEMENT-DWELLERS AND BACKSLIDERS:** Meanwhile, the 2019 Index data show 59 companies in the S&P 500 residing solidly in the basement (with scores of zero). Six companies backslid with overall scores declining 10 points or more. They are Marriott International Inc.; Baker Hughes Inc.; Advanced Micro Devices Inc.; Symantec Corp.; Delta Air Lines Inc.; and, Johnson Controls International plc. Three companies that had reached disclosure agreements in the past failed to make any disclosure. They are Mattel Inc.; Delta Air Lines Inc.; and PulteGroup Inc. More work lies ahead to educate basement-dwellers and backsliders alike and to elevate them in the Index's ranks, where political disclosure and accountability are in the American mainstream.

#### Box 1. SCORING OF THE INDEX

**Interpretation and Scoring.** The Index's accuracy depends upon consistency and fairness in scoring. In order to analyze companies accurately and consistently across 24 indicators, we must adhere closely to our rigorous scoring guidelines.

CPA scores each company based solely on the information that is publicly available on the company's website and without regard to how the company was scored in previous years. This ensures that companies are scored on their current disclosure practices and policies. CPA consults with its Scoring Advisory Committee in order to be as consistent, fair, and accurate as possible. Companies are also given the opportunity to speak with CPA about the Index scoring process and their individual scores before the Index is published.

CPA's practice is to announce any revisions to the Index's 24 indicators or their interpretations one year in advance.

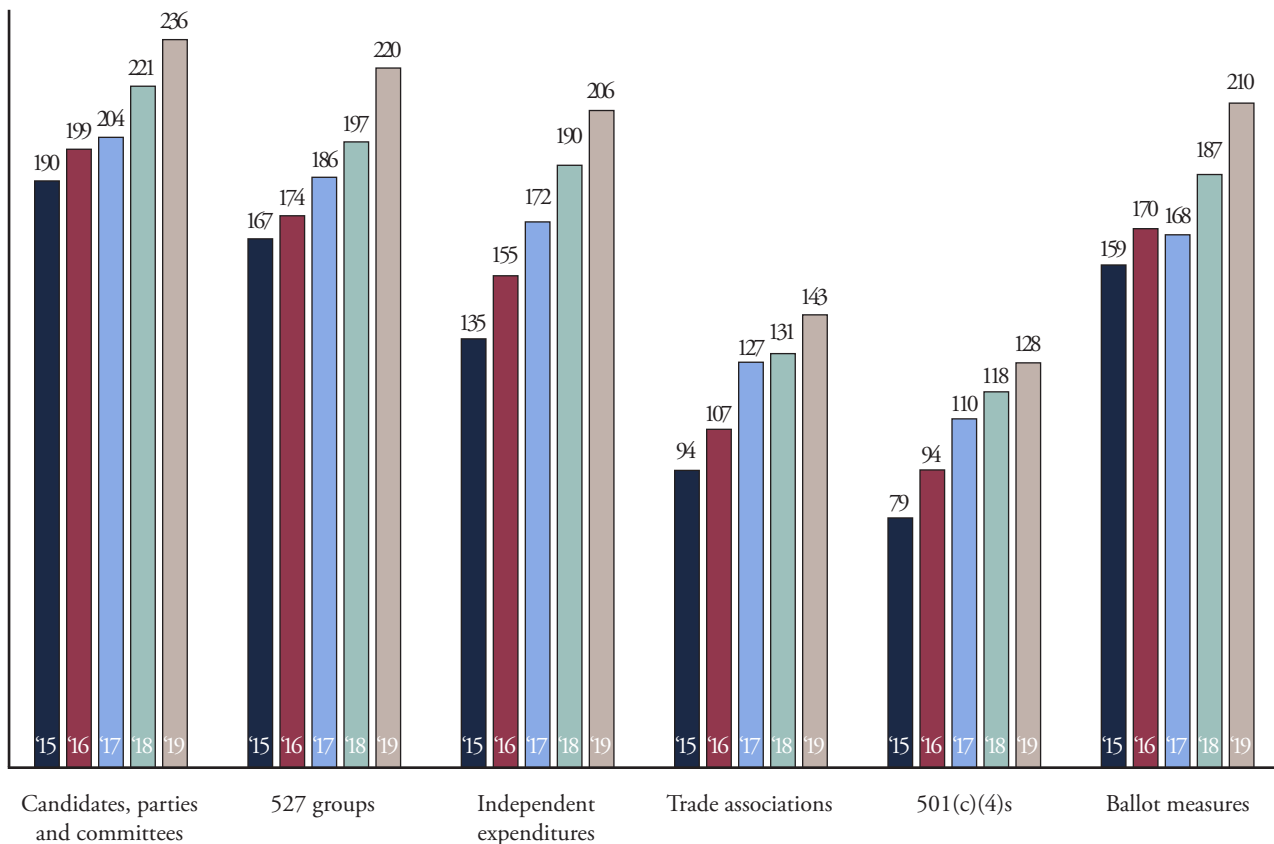
**Determination of Teirs.** The S&P 500 companies ranked in the Index are grouped into five tiers based on their scores. The thresholds for these tiers are as follows:

<b>Tier</b>	<b>Score (%)</b>
First Tier	80 - 100
Second Tier	60 - 79.9
Third Tier	40 - 59.9
Fourth Tier	20 - 39.9
Bottom Tier	0 - 19.9

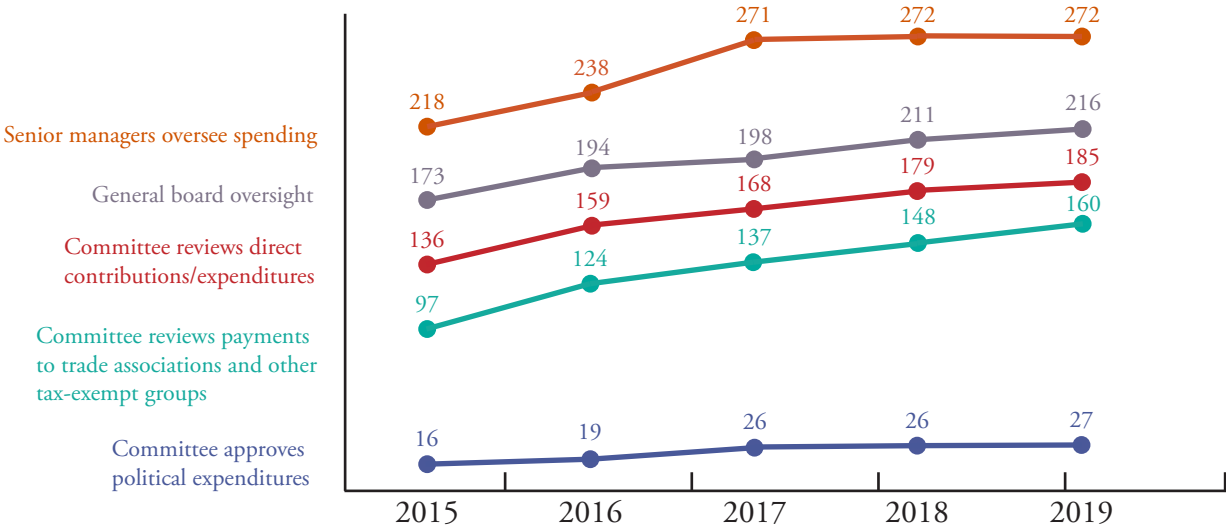
# I. COMPARISON OF COMPANIES SINCE 2015

The Center for Political Accountability began engaging corporations on their election-related spending in 2003, asking them to voluntarily disclose and oversee all contributions and expenditures. Few, if any, companies disclosed their spending at that time. Sixteen years later, the annual CPA-Zicklin Index reflects an embrace of political disclosure and accountability by leading American companies. For the fifth consecutive year, the 2019 Index evaluates transparency and accountability practices for the entire S&P 500. Since 2015, 399 companies have remained constant in the Index. For these 399 core companies, the number that fully disclose or prohibit political contributions from corporate funds has consistently increased.

**Figure 1: Number of Core Companies That Fully Disclose or Prohibit Spending by Contribution Type (2015-2019)**



**Figure 2: Number of Core Companies with Elements of Oversight and Accountability**



## II. FULL S&P 500 RESULTS

For the fifth consecutive year, the 2019 Index evaluates transparency and accountability practices for the entire S&P 500. Among the 496 companies studied in the 2019 Index, the average total score was 47.1 percent on a scale of zero to 100, compared with 44.1 percent for the companies studied in 2018, 43.1 for 2017, 42.3 percent for 2016, and 39.8 percent for 2015.

Below is a summary of notable trends across the three sections of the Index: Disclosure, Policy, and Oversight.

### **Disclosure**

The Index assesses disclosure of corporate contributions to political candidates, parties, and committees, 527 groups, ballot initiatives, trade associations, and 501(c)(4) “social welfare” organizations, as well as any independent political expenditures.

### **Policy**

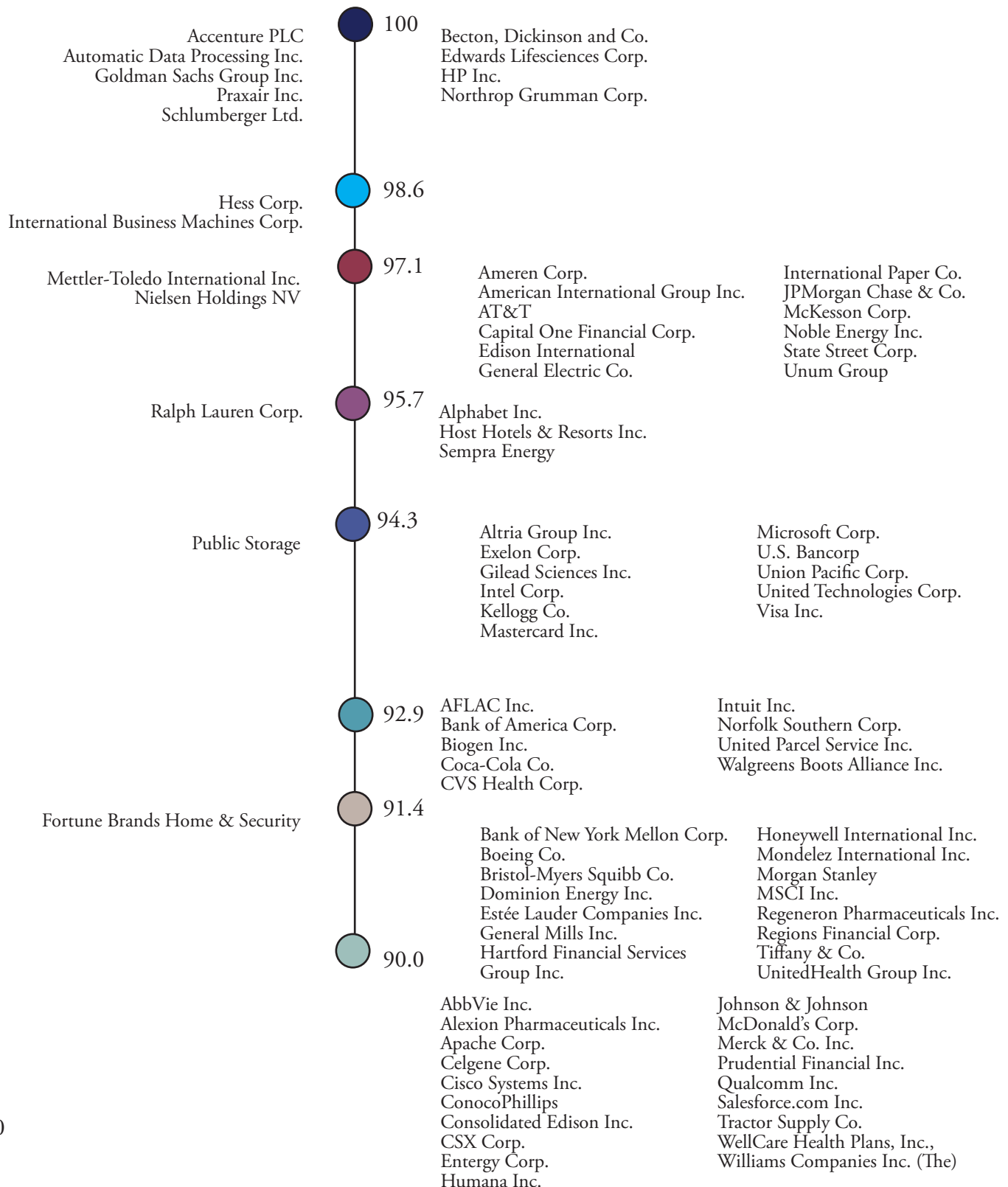
Companies are adopting or refining political spending policies, making those policies more descriptive and informative. Of the 496 companies included in the Index this year, 200 (40.3 percent) address each of the categories of disclosure listed above, fully describing to which entities the company may or may not contribute using corporate funds.

### **Oversight**

Board oversight is a vital component of accountability. The number of companies that require general board oversight has increased slightly to 237, and there has been an increase in the number of companies that task a specified board committee with reviewing corporate political expenditures (to 201 in 2019 from 169 in 2015) and payments to trade associations (to 174 in 2019 from 121 in 2015).

## a. TRENDSETTERS IN POLITICAL DISCLOSURE AND ACCOUNTABILITY

### NON-SPENDERS





## b. MOST IMPROVED COMPANIES THIS YEAR

*Scores improved by 50 percentage points or more*

**Figure 3: Most Improved Companies 2019**

Company	2018	2019	Increase
Forture Brands Home & Security*	0.0	91.4	91.4
MSCI Inc.*	0.0	91.4	91.4
Alexion Pharmaceuticals Inc.*	10.0	90.0	80.0
American Water Works Co., Inc.*	4.3	82.9	78.6
Chubb Ltd.*	0.0	78.6	78.6
Kohls Corp.*	10.0	84.3	74.3
SVB Financial Group*	0.0	70.0	70.0
WestRock Co.	22.9	84.3	61.4
Ball Corp.*	4.3	65.7	61.4
PVH Corp.	0.0	60.0	60.0
Ford Motor Co.*	21.4	80.0	58.6
Equinix Inc.*	4.3	62.9	58.6
Lowe's Companies Inc.	24.3	81.4	57.1
Macy's Inc.*	5.7	62.9	57.2
Autodesk Inc.	17.1	70.0	52.9
Mondelez International Inc.*	41.4	91.4	50.0

\*Engaged by CPA shareholder partners in 2019 Proxy Season.

## c. BACKSLIDING COMPANIES

*Scores decreased by 10 percentage points or more*

**Figure 4: Backsliding Companies 2019**

Company	2018	2019	Decrease
Johnson Controls International plc	55.7	34.3	21.4
Delta Air Lines Inc.	28.6	11.4	17.2
Symantec Corp.	92.9	78.6	14.3
Advanced Micro Devices Inc.	18.6	7.1	11.5
Baker Hughes Inc.	11.4	0.0	11.4
Marriott International Inc.	62.9	52.9	10.0

## NON-COMPLIANT AGREEMENT COMPANIES

There are three companies included in the 2019 Index with whom CPA had an agreement in the past but the company failed to disclose any of its political spending in the previous year:

Mattel Inc.

Delta Air Lines Inc.

PulteGroup Inc.

## d. CORPORATE POLITICAL SPENDING DISCLOSURE

The Supreme Court strongly endorsed disclosure in *Citizens United*:

*“With the advent of the Internet, prompt disclosure of expenditures can provide shareholders and citizens with the information needed to hold corporations and elected officials accountable for their positions and supporters. Shareholders can determine whether their corporation’s political speech advances the corporation’s interests in making profits, and citizens can see whether elected officials are ‘in the pocket’ of so-called moneyed interests.”*<sup>18</sup>

In total, 251 companies disclosed at least some corporate political contributions or expenditures, and 316 companies disclosed some or all information or prohibited spending.

## DIRECT CONTRIBUTIONS

**State and local candidates, parties and committees:** 281 companies (56.7 percent) disclosed full or partial information about corporate contributions to candidates, parties, and political committees, or had policies prohibiting such contributions.

**527 groups:** 251 companies (50.6 percent) disclosed full or partial information about corporate contributions to entities organized under section 527 of the Internal Revenue Code, or prohibited such contributions.

**Independent expenditures:** 236 companies (47.6 percent) disclosed full or partial information about the company’s independent expenditures made to support or oppose a political campaign, or prohibited such spending.

**Ballot measures:** 240 companies (48.4 percent) disclosed full or partial information about the company’s contributions to support or oppose ballot initiatives or prohibited such contributions.

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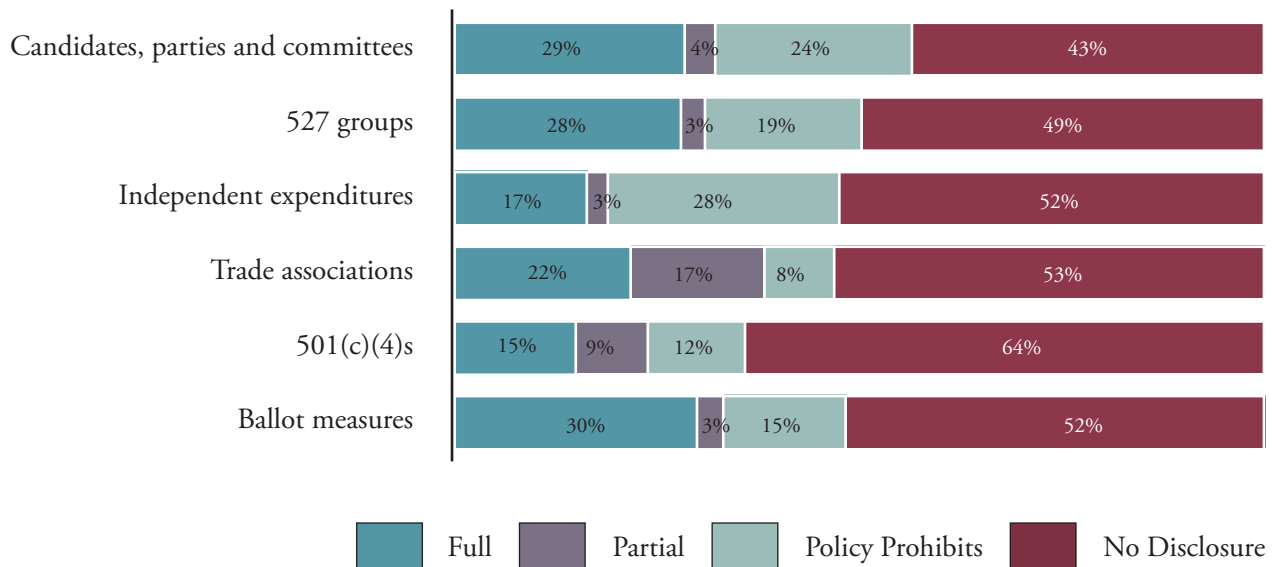
<sup>18</sup> *Citizens United v. FEC*, 558 U.S. 310, 352 (2010).

# INDIRECT CONTRIBUTIONS

**Trade associations:** 234 companies (47.2 percent) disclosed full or partial information about memberships in or payments to trade associations, or instructed trade associations not to use company payments for election-related activity.

**501(c)(4) “social welfare” organizations:** 180 companies (36.3 percent) disclosed full or partial information about corporate giving to 501(c)(4) groups, had policies forbidding contributions to such groups or instructed 501(c)(4)s not to use company contributions for election-related activity.

**Figure 5: Levels of Disclosure, by Contribution Type**



## Box 2. BEST PRACTICE EXAMPLES: DISCLOSING PAYMENTS TO TRADE ASSOCIATIONS

Companies that have demonstrated best practice provide clear language about what information they disclose and make timely reports. Most companies disclose the non-deductible portion (used for election-related or lobbying activities) of their payments, including dues and special assessments, to trade associations in a given year. Many companies use a threshold that triggers disclosure (e.g. \$25,000 a year) to reduce the burden of reporting and focus on politically active trade associations.

**Edwards Lifesciences Corp.** “Edwards Lifesciences is a member of several industry and trade groups, including organizations that engage in lobbying activities. Edwards believes that membership in these organizations is consistent with the interests of patients, employees, the company and shareholders. The following table lists the amount of Edwards dues spent on federal-related lobbying activities. \*Includes trade association memberships with total annual dues greater than \$50,000.”

**Microsoft Corp.** “We publicly disclose and update annually a list of those trade associations to which Microsoft pays dues and makes other expenditures through our Legal & Community Affairs. Each year, Microsoft inquires and makes a reasonable effort to obtain from those associations where our dues and other expenditures total \$25,000 or more and what portion of the company’s dues or payments were used for lobbying expenditures or political contributions. This information is publically disclosed and updated annually.”

## Box 3. DISTINGUISHING 501(c)(4) ORGANIZATIONS THAT ENGAGE IN POLITICAL ACTIVITIES

Internal Revenue Code section 501(c)(4) exempts certain civic groups and nonprofit organizations whose primary purpose is to promote social welfare from federal income tax obligations. Even though such groups have always existed in varying forms, the U.S. Supreme Court’s decision in *Citizens United* gave rise to a new wave of 501(c)(4) groups that actively engage in election-related activities. Many of them make independent expenditures to advocate for a position in elections, and some raise secret funds for their sister super PACs.

In order to determine which 501(c)(4) contributions to disclose, companies can look at the organization’s activities to see if it engages in any political activity as defined by the Internal Revenue Service. Using current regulatory definitions, including the IRS’s definition of “political intervention,” political spending comprises:

- any direct or indirect contributions or expenditures on behalf of a candidate for public office or referenda,
- any payments made to trade associations or tax-exempt entities used for intervening in a political campaign, and
- any direct or indirect political expenditure that must be reported to the Federal Election Commission, Internal Revenue Service or state disclosure agency

## e. POLITICAL SPENDING POLICIES

**Why is political spending policy so important? By setting out objective criteria for political spending, a company provides a context for decision-making. An articulated policy provides a means for evaluating the risks and benefits of political spending; measuring whether such spending is consistent and aligned with a company's overall goals and values; determining a rationale for the expenditures; and judging whether the spending achieves its goals.**

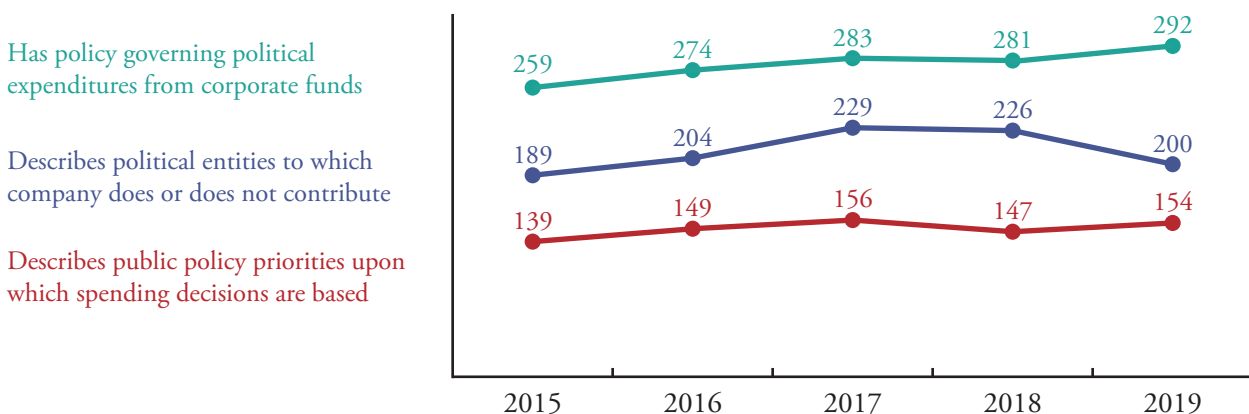
The Index reflects a wide range of political spending policies adopted by S&P 500 companies. Some of these policies are comprehensive and robust while others are not fully formed. There has been a steady adoption of robust corporate political spending policies between 2015 and 2019.

**Publicly available policies.** 292 companies (58.9 percent) posted a detailed political spending policy on their websites, while 125 (25.2 percent) provided brief or vague policies. In total, 417 companies (84.1 percent) disclosed either detailed or brief policies governing election-related expenditures with corporate funds.

**Parameters of giving.** 200 companies (40.3 percent) of companies fully described to which political entities they may or may not contribute. 109 companies (22.0 percent) provided less than comprehensive information about the recipients of their political giving.

**Decision-making criteria.** 154 companies (31.0 percent) of companies provided detailed information about the public policy positions that provide the basis of their political spending decisions, while 71 companies (14.3 percent) provided vague explanations about what drives the company's giving.

**Figure 6: Number of Companies with the Elements of a Detailed Policy**



## f. OVERSIGHT OF POLITICAL SPENDING

**Why is board oversight so important? Board oversight of corporate political spending assures internal accountability to shareholders and to other stakeholders. It has made such inroads in boardrooms across America that it has become a corporate governance standard.**

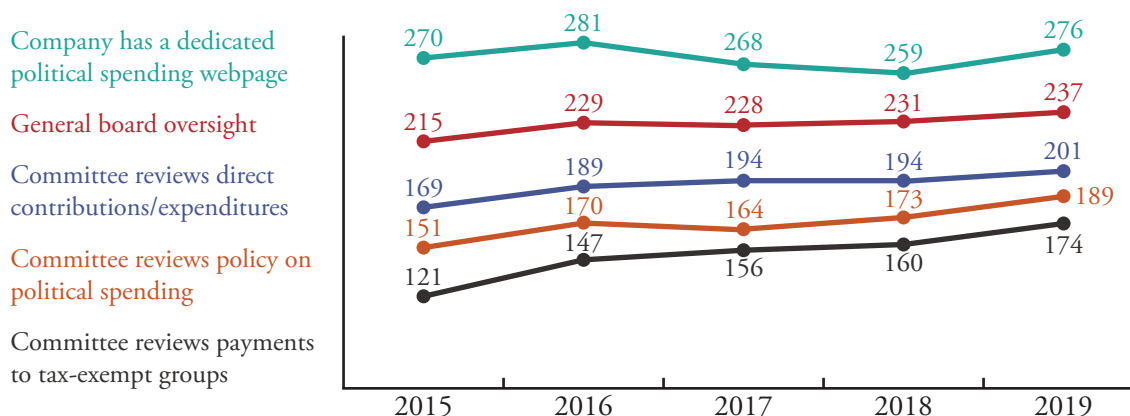
“To the extent that the company engages in political activities, the board should have oversight responsibility,” The Business Roundtable’s “Principles of Corporate Governance” advised in 2016.<sup>19</sup> To provide directors a framework, CPA leaders wrote in the Harvard Business Review, “We have developed a framework to help boards make decisions concerning corporate political spending – decisions that are informed; consistent with company strategies, policies, and values; and that mitigate risks as much as possible.”

To accomplish this, directors must be able to do three central things:

- 1) decide whether the company should engage in election-related spending
- 2) decide whether to disclose such spending
- 3) ensure that appropriate oversight and other policies and procedures are in place.<sup>20</sup>

Data from the 2019 Index indicate that 237 companies in the S&P 500 required some level of board oversight of corporate political contributions and expenditures.<sup>21</sup> 276 companies offered a dedicated webpage or similar space on their websites to address corporate political spending and disclosure.

**Figure 7: Number of Companies with Elements of Oversight and Accountability**



<sup>19</sup> BUSINESS ROUNDTABLE, PRINCIPLES OF CORPORATE GOVERNANCE 2016, available at <https://s3.amazonaws.com/brt.org/Principles-of-Corporate-Governance-2016.pdf>.

<sup>20</sup> Constance E. Bagley, Bruce Freed, & Karl Sandstrom, *A Board Member's Guide to Political Spending*, Harv. Bus. Rev. (Oct. 30, 2015), <https://hbr.org/2015/10/a-board-members-guide-to-corporate-political-spending>.

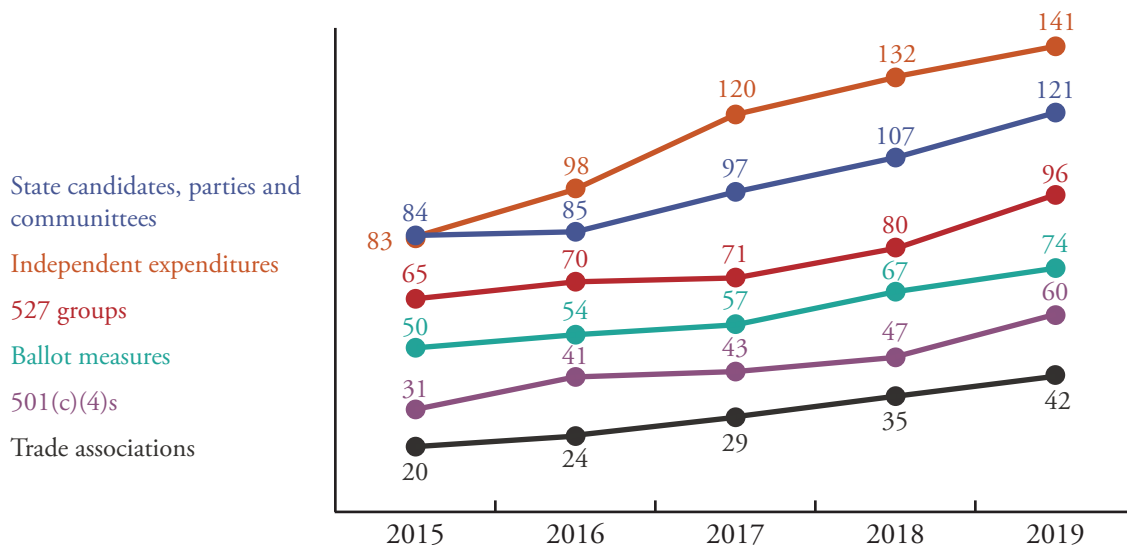
<sup>21</sup> In 2018, 231 companies had general board oversight and 27 received full credit because the company had a clear policy prohibiting election-related expenditures from corporate funds. In 2019, 237 companies had general board oversight and 38 received full credit because the company had a clear policy prohibiting election-related expenditures from corporate funds.

## g. PROHIBITIONS ON POLITICAL SPENDING

Over the past five years, there has been a steady rise in the number of S&P 500 companies that have placed prohibitions on election-related spending.

**Some Prohibitions on Spending:** 186 companies (37.5 percent) placed a prohibition on at least one category of corporate election-related spending, compared with 176 companies in 2018 (36 percent), 158 companies in 2017 (32 percent), 143 companies (29 percent) in 2016 and 124 (25 percent) in 2015. This represents a 50.0 percent increase since 2015.

**Figure 8: Number of Companies that Prohibit Spending, by Contribution Type**



**No Corporate Election-Related Spending:** There are 12 companies that did not use corporate assets to influence elections and asked third parties not to use company payments for election-related purposes (see Appendix F).

**PAC Spending Only:** 11 companies had policies whereby direct and indirect political expenditures may only be made through an employee-funded Political Action Committee (PAC).

**Restrictions on Indirect Political Spending:** Companies engage in trade and industry associations for a variety of reasons and may not always agree with political positions taken by those associations. Likewise, company contributions to politically active 501(c)(4) organizations may be used for election-related purposes not supported by the company. To avoid such conflicts, some companies prohibit the recipients of company funds from using those funds for election-related purposes.



**52 companies** restricted payments to either trade associations or 501(c)(4)s:

AbbVie Inc.	Estée Lauder Companies Inc.	National Oilwell Varco Inc.
American International Group Inc.	FedEx Corp.	Newell Brands Inc.
Aon PLC	Fluor Corp.	Nordstrom Inc.
Apple Inc.	General Dynamics Corp.	ONEOK Inc.
Archer Daniels Midland Co.	General Mills Inc.	Phillips 66
Ball Corp.	Honeywell International Inc.	Regeneron Pharmaceuticals Inc.
Bank of America Corp.	Hormel Foods Corp.	Regions Financial Corp.
Bank of New York Mellon Corp.	Host Hotels & Resorts Inc.	State Street Corp.
Becton, Dickinson and Co.	Illinois Tool Works Inc.	SunTrust Banks Inc.
Booking Holdings Inc.	Intercontinental Exchange Inc.	Texas Instruments Inc.
Cardinal Health Inc.	Intuitive Surgical Inc.	Tractor Supply Co.
Clorox Co.	JPMorgan Chase & Co.	U.S. Bancorp
Colgate-Palmolive Co.	Kohls Corp.	United Rentals Inc.
Comcast Corp.	Kraft Heinz Co.	United Technologies Corp.
Costco Wholesale Corp.	Lowe's Companies Inc.	Unum Group
Danaher Corp.	McDonald's Corp.	Western Digital Corp.
Edwards Lifesciences Corp.	Morgan Stanley	WestRock Co.
	MSCI Inc.	

**25 companies** restricted payments to both trade associations and 501(c)(4)s:

Accenture PLC	Hartford Financial Services Group Inc.	Mondelez International Inc.
Alphabet Inc.	Hess Corp.	Nielsen Holdings NV
Ameriprise Financial Inc.	HP Inc.	Northrop Grumman Corp.
Automatic Data Processing Inc.	International Business Machines Corp.	Praxair Inc.
Boeing Co.	International Paper Co.	Public Storage
Cisco Systems Inc.	Kansas City Southern	Ralph Lauren Corp.
Fortune Brands Home & Security	McKesson Corp.	Schlumberger Ltd.
Goldman Sachs Group Inc.	Mettler-Toledo International Inc.	Target Corp.
		Wells Fargo & Co.

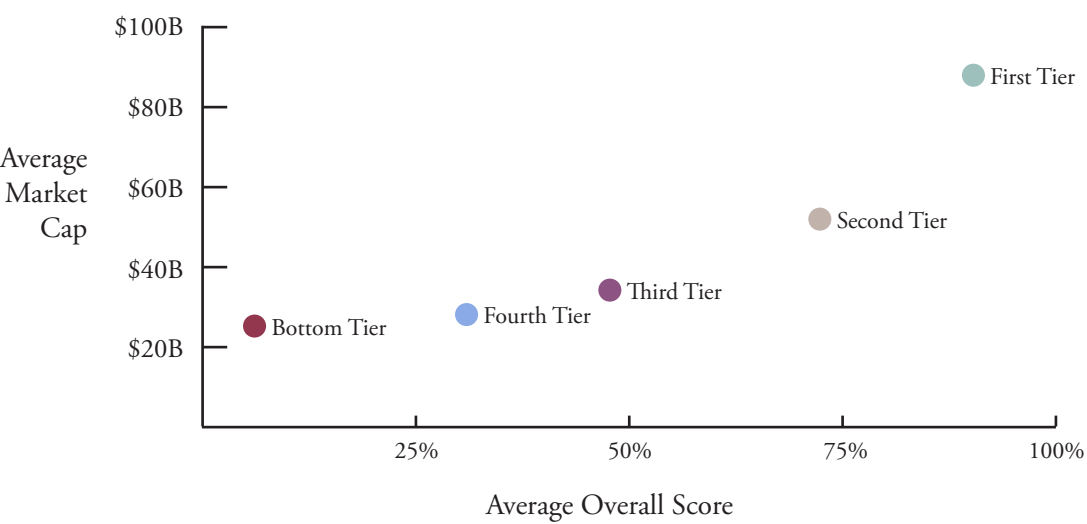
# h. INDEX PERFORMANCE BY COMPANY SIZE

A review of the scores of different-sized companies shows a strong positive correlation between the size of a company and the detail and breadth of its political disclosure and accountability policies.

Figure 9: Company Scores and Rankings by Average Market Cap\*

	First Tier	Second Tier	Third Tier	Fourth Tier	Bottom Tier
Total Companies	148	81	45	37	185
Average Market Cap	\$91.2B	\$54.5B	\$34.8B	\$31.1B	\$26.4B
Average Overall Score (%)	89.4	70.0	49.8	30.4	5.8

Figure 10: Score Distribution by Average Market Cap



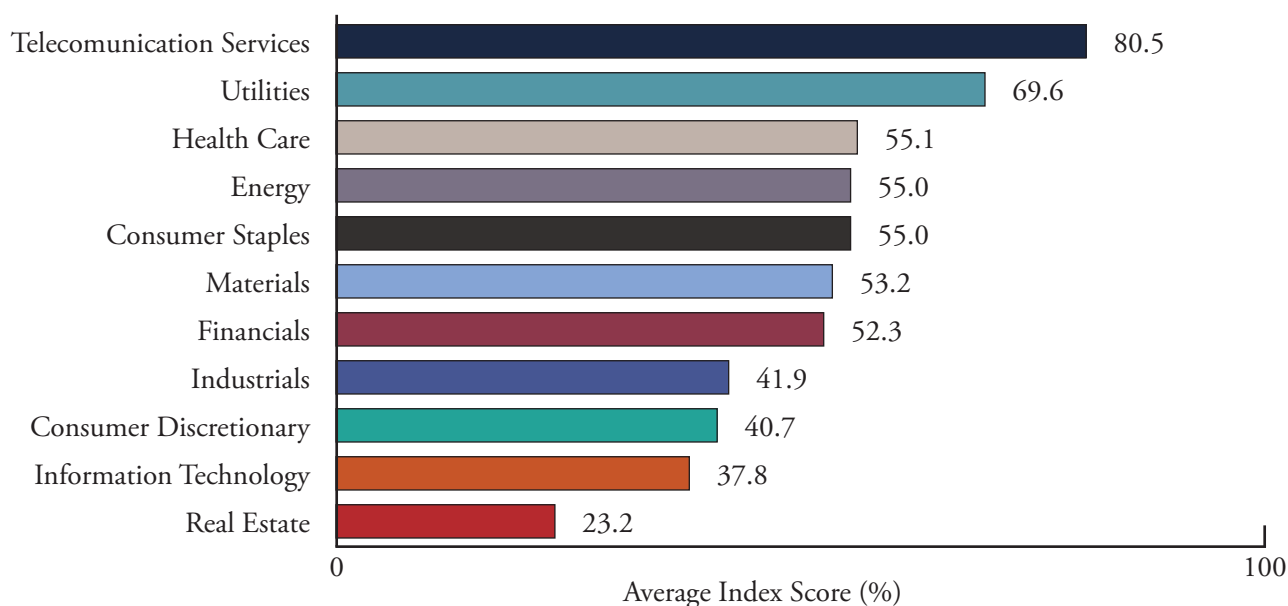
## i. INDEX PERFORMANCE BY SECTOR

When all companies were compared by industrial sector, the top-ranked sectors for political disclosure and accountability in 2019 were Telecommunications Services, Utilities, and Health Care.

**Figure 11: Sector Performance (2015-2019)**

Sector	Average Score (%)					Number of Companies				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Consumer Discretionary	32.2	33.1	36.4	36.2	40.7	78	83	82	77	75
Consumer Staples	47.1	48.0	46.7	52.3	55.0	34	35	37	32	33
Energy	45.7	49.1	49.9	53.4	55.0	38	39	34	31	29
Financials	42.4	48.0	50.0	49.1	52.3	60	64	66	71	71
Health Care	52.2	52.2	53.2	52.7	55.1	53	57	59	61	61
Industrials	37.1	38.0	37.3	37.7	41.9	61	64	66	67	67
Information Technology	35.4	40.0	37.4	37.9	37.8	59	65	67	68	72
Materials	47.7	47.9	50.5	47.2	53.2	28	27	25	24	23
Real Estate	19.6	14.8	17.8	20.8	23.2	22	27	31	31	31
Telecommunication Services	46.3	47.4	50.4	68.6	80.5	5	5	4	3	3
Utilities	48.0	57.6	62.1	66.2	69.6	26	27	28	28	28

**Figure 12: Average Index Score by Sector**



# III. VOLUNTARY DISCLOSURE AND SHAREHOLDER ENGAGEMENT

Since 2004, more than 175 companies have adopted the political disclosure and accountability model proposed by CPA and its shareholder partners. While some companies have adopted these practices without shareholder engagement, an assessment of the past five years shows a strong positive correlation between shareholder engagement and high scores on the Index. This correlation stands even when company size, a strong indicator of Index performance (see Section h), is factored in.

**Companies Engaged by Shareholders:** Of the 496 companies included in the 2019 Index, 186 have been formally engaged by shareholders with a resolution on the issue of corporate political spending disclosure and accountability since the 2004 proxy season. Of these companies, 104 have reached agreements with shareholders. For companies with an agreement, the average overall Index score is 78.4 percent, as compared to 52.2 percent for the 82 companies that were engaged but did not reach an agreement.

**Companies with No History of Shareholder Engagement:** The average score for the 310 companies that have no history of shareholder engagement is 35.3 percent. Of these companies, 155 (50 percent) disclosed some information about their direct political expenditures or said they prohibit such spending. 102 (32.9 percent) disclosed some information about both direct and indirect expenditures or said they prohibit such spending.

**Figure 13: Average Score by Shareholder Engagement**

	Agreement	No Agreement	No Engageent
Number of Companies	104	82	310
Average Index Score	78.4%	52.0%	35.3%
Average Market Cap	\$80.2B	\$84.3B	\$33.0B

## Companies That Reached Disclosure Agreements in 2019

Alexion Pharmaceuticals Inc.  
 Ameriprise Financial Inc.  
 Ball Corp.  
 Chubb Ltd.  
 Devon Energy  
 General Electric

Hilton Worldwide Holdings Inc.  
 Kroger Co., The  
 Mondelez International Inc.  
 MSCI Inc.  
 SVB Financial Group  
 Sysco Corp.  
 Tractor Supply Co

# APPENDIX A: METHODOLOGY

In late 2003, the Center for Political Accountability launched an initiative to persuade companies to adopt board oversight and disclosure of political spending. Today, the CPA-Zicklin Index provides a scorecard. It measures how corporations have changed their policies and practices over time, and it portrays how companies are positioning themselves for the future.

## SCOPE OF RESEARCH

For the purposes of this study, corporate political spending was defined as expenditures from corporate treasury funds, direct and indirect, used to support or oppose any political campaign. See the Glossary in appendix B for further explanation.

The study reviewed the corporate political spending policies and practices of the S&P 500. The Index's list of companies is based on the S&P 500 as of April 15, 2019.

## SAFEGUARDING OBJECTIVITY

Scoring in the Index is based on publicly available information from each company's website, collected by research analysts under the supervision of CPA staff. To maintain an objective system for scoring companies, CPA consults the Scoring Advisory Committee (members of which are listed in "Acknowledgments").

In May, CPA sent letters to the S&P 500 informing them of the project and provided a copy of the indicators to be used in rating companies. In some instances, follow-up discussions with companies about their preliminary scores contributed to this objective review. Over 40 companies replied with questions and comments about their preliminary scores.

## ASSIGNING NUMERICAL SCORES TO RESPONSES

The "Scoring Key" on page 35 of this report lists the 2019 indicators and the maximum points given for each. Numerical scores were assigned following a simple arithmetic system, described below.

- A response of "No" to an indicator resulted in a score of zero;
- A response of "Yes" or "Not Applicable (N/A)" resulted in the maximum score; and
- A response of "Partial" resulted in half of the maximum score.

The indicators that are highlighted in the Scoring Key are considered "key performance indicators" (KPIs), which are scored more heavily than the rest.

## APPENDIX B: GLOSSARY

**Direct political spending:** Contributions to state legislative, judicial, and local candidates; political parties and political committees (including those supporting or opposing ballot initiatives); and contributions to other political entities organized and operating under 26 U.S.C. Sec. 527 of the Internal Revenue Code, such as the Democratic and Republican Governors Associations, or so-called “Super PACs.”

Direct spending also includes independent expenditures, which may not be coordinated with any candidate or political committee.

**Independent expenditure:** A public communication that expressly advocates the election or defeat of a candidate and is not coordinated with a candidate or political party.

**Indirect political spending:** Payments to trade associations and other tax-exempt organizations used for political purposes. Under the federal tax code, civic leagues and social welfare organizations (501(c)(4) organizations) and business leagues and trade associations (501(c)(6) organizations) may engage in political campaign activity so long as the political activity does not comprise the group’s primary activity.

Indirect political spending may include independent expenditures when corporate payments to trade associations or 501(c)(4)s are in turn spent to purchase ads supporting or opposing candidates, or the trade associations or 501(c)(4)s pass these corporate payments to other organizations.

A company may not be aware that a portion of its dues or other payments is used for political activity.

**Political activity/political spending:** Any direct or indirect contributions or expenditures on behalf of or in opposition to a candidate for public office or referenda; any payments made to trade associations or tax-exempt entities used for influencing a political campaign; and any direct or indirect political expenditure that must be reported to the Federal Election Commission, Internal Revenue Service, or state disclosure agency.

# APPENDIX C: SCORING KEY

	Indicator	Max Score
1	Does the company publicly disclose corporate contributions to political candidates, parties and committees, including recipient names and amounts given?	4
2	Does the company publicly disclose payments to 527 groups, such as governors associations and super PACs, including recipient names and amounts given?	4
3	Does the company publicly disclose independent political expenditures made in direct support of or opposition to a campaign, including recipient names and amounts given?	4
4	Does the company publicly disclose payments to trade associations that the recipient organization may use for political purposes?	6
5	Does the company publicly disclose payments to other tax-exempt organizations, such as 501(c)(4)s, that the recipient may use for political purposes?	6
6	Does the company publicly disclose a list of the amounts and recipients of payments made by trade associations or other tax-exempt organizations of which the company is either a member or donor?	2
7	Does the company publicly disclose payments made to influence the outcome of ballot measures, including recipient names and amounts given?	4
8	Does the company publicly disclose the company's senior managers (by position/title of the individuals involved) who have final authority over the company's political spending decisions?	2
9	Does the company publicly disclose an archive of each political expenditure report, including all direct and/or indirect contributions, for each year since the company began disclosing the information (or at least for the past five years)?	4
10	Does the company disclose a detailed policy governing its political expenditures from corporate funds?	6
11	Does the company have a publicly available policy permitting political contributions only through voluntary employee-funded PAC contributions?	Yes/ No
12	Does the company have a publicly available policy stating that all of its contributions will promote the interests of the company and will be made without regard for the private political preferences of executives?	2
13	Does the company publicly describe the types of entities considered to be proper recipients of the company's political spending?	2
14	Does the company publicly describe its public policy positions that become the basis for its spending decisions with corporate funds?	2
15	Does the company have a public policy requiring senior managers to oversee and have final authority over all of the company's political spending?	2
16	Does the company have a publicly available policy that the board of directors regularly oversees the company's corporate political activity?	2
17	Does the company have a specified board committee that reviews the company's policy on political expenditures?	2
18	Does the company have a specified board committee that reviews the company's political expenditures made with corporate funds?	2
19	Does the company have a specified board committee that reviews the company's payments to trade associations and other tax-exempt organizations that may be used for political purposes?	2
20	Does the company have a specified board committee that approves political expenditures from corporate funds?	2
21	Does the company have a specified board committee, composed entirely of outside directors, that oversees its political activity?	2
22	Does the company post on its website a detailed report of its political spending with corporate funds semiannually?	4
23	Does the company make available a dedicated political disclosure webpage found through search or accessible within three mouse-clicks from homepage?	2
24	Does the company disclose an internal process for or an affirmative statement on ensuring compliance with its political spending policy?	2

# APPENDIX D: SCORING GUIDELINES

	N/A	Yes	Partial	No
1	The company has a clear policy prohibiting corporate contributions to all candidates, parties, and committees.	The company provides itemized disclosure (i.e., names of recipients and amounts given to each).	The company partially discloses (e.g., provides a list of recipients but not the amount each received).	No disclosure is provided, or the company provides a single, aggregate amount of its political spending.
2	The company has a clear policy prohibiting corporate contributions to all groups organized under § 527 of the Internal Revenue Code.	The company provides itemized disclosure (i.e., names of recipients and amounts given to each).	The company partially discloses (e.g., provides a list of recipients but not the amount each received).	No disclosure is provided, or the company provides a single, aggregate amount of its political spending.
3	The company has a clear policy prohibiting independent expenditures using corporate funds.	The company discloses any direct independent expenditures made to support or oppose a candidate or ballot measure, identifying the candidate or measure being supported or opposed.	The company partially discloses (e.g., provides a list of beneficiaries but not the amount each received).	No disclosure is provided, or the company provides a single, aggregate amount of its political spending.
4	The company has a clear policy that it prohibits trade associations of which it is a member from using its payments for election-related purposes.	The company provides itemized disclosure of all nondeductible payments, including special assessments (i.e., names of trade associations and amounts given to each).	The company partially discloses (e.g., provides a list of associations but not the amount of payments).	No disclosure is provided, or the company provides a single, aggregate amount of its nondeductible spending.
5	The company has a clear policy that it prohibits tax-exempt groups to which it contributes from using its payments for election-related purposes, or clearly prohibits such contributions entirely.	The company provides itemized disclosure of all payments (i.e., names of politically active tax-exempt groups and amounts given to each).	The company partially discloses (e.g., provides a list of recipients but not the amount each received).	No disclosure is provided, or the company provides a single, aggregate amount of its political spending.
6	The company has a clear policy that it does not contribute to trade associations or tax-exempt groups, or the company restricts its payments to third party groups to non-election related purposes.	The company provides itemized disclosure of candidates or organizations that received money from third party organizations to which it has contributed.	The company discloses some, but not all, contributions made by third parties to whom it has given corporate money.	No such disclosure is made.
7	The company has a clear policy prohibiting corporate contributions to ballot initiatives.	The company provides itemized disclosure (i.e., names of initiatives and amounts given to each).	The company partially discloses (e.g., provides a list of initiatives supported but not the amount each received).	No disclosure is provided, or the company provides a single, aggregate amount of its political spending.
8	The company has a clear policy prohibiting election-related expenditures from corporate funds and restricts its payments to third party groups to non-election related purposes.	The company discloses the positions and titles of senior managers with final authority over political spending decisions.	The company only discloses a department or unit with such responsibility, or the disclosure is otherwise ambiguous.	No such disclosure is made.
9	The current report is the company's first disclosure report, or the company has a clear policy prohibiting election-related expenditures from corporate funds and restricts its payments to third party groups to non-election related purposes.	The company website includes links to all political spending disclosure reports issued since voluntary disclosure was adopted, or for at least the past five years.	The company maintains a partial archive of its political spending reports (i.e., fewer than five and fewer than it has issued).	The company does not maintain historical political spending disclosure reports on its website.
10	(A company cannot receive "N/A" for this indicator.)	The company publicly discloses a detailed policy that includes information about the kinds of corporate election-related spending permitted as well as information about managerial and board oversight of spending decisions.	The company discloses a brief policy, perhaps only in its code of conduct or code of ethics.	No policy regarding corporate political spending can be found on the website.
11	(A company cannot receive "N/A" for this indicator.)	The company's policy permits PAC contributions but prohibits the use of corporate funds for direct political expenditures (indirect spending through third parties is not considered for this indicator).	(A company cannot receive "Partial" for this indicator.)	The company may use corporate funds for political spending.
12	The company has a clear policy prohibiting election-related expenditures from corporate funds.	The company's policy includes this statement or something very similar.	The policy includes language vaguely relevant to the spirit of this language, or covers one part but not the other.	No such statement is made.



	N/A	Yes	Partial	No
13	The company has a clear policy prohibiting election-related expenditures from corporate funds.	The policy describes the types of recipients that may receive the company's money (see indicators 1-5 and 7).	The policy includes vague language somewhat relevant to the spirit of this indicator, or offers a short or incomplete list of permissible recipients of the company's political spending.	No such statement is made.
14	The company has a clear policy prohibiting election-related expenditures from corporate funds.	The company's policy describes specific issues that form the basis for the company's political spending decisions (e.g., for a pharma company, "barriers to access, counterfeits, and challenges to intellectual property protection").	The policy includes vague language somewhat relevant to the spirit of this indicator (e.g., "candidates whose positions are consistent with the best interests of the company; elections in areas where we do business").	No such statement is made.
15	The company has a clear policy prohibiting election-related expenditures from corporate funds.	The company's policy requires senior managers to approve or make final decisions on political spending.	The policy includes language somewhat relevant to the spirit of this indicator.	No such statement is made.
16	The company has a clear policy prohibiting election-related expenditures from corporate funds.	The company's policy indicates that the board of directors regularly reviews or oversees the company's political spending.	The policy suggests that there is board involvement, but the nature and extent of such involvement are unclear or ambiguous.	There is no indication that the board oversees company political spending.
17	(A company cannot receive "N/A" for this indicator.)	The company identifies a specific board committee that reviews the company's political spending policy.	The policy suggests that there is board committee involvement, but whether the committee reviews the company's policy is unclear or ambiguous.	There is no indication that a specified board committee reviews the company's policy.
18	The company has a clear policy prohibiting election-related expenditures from corporate funds.	The company identifies a specific board committee that reviews direct political expenditures made from corporate funds.	The policy suggests that there is board committee involvement, but whether the committee reviews the company's direct political expenditures is unclear or ambiguous.	There is no indication that a specified board committee reviews corporate political expenditures.
19	The company has a clear policy prohibiting election-related expenditures from corporate funds and restricts its payments to third party groups to non-election related purposes.	The company identifies a specific board committee that reviews indirect political expenditures made from corporate funds.	The policy suggests that there is board committee involvement, but whether the committee reviews the company's direct political expenditures is unclear or ambiguous.	There is no indication that a specified board committee reviews corporate political expenditures.
20	The company has a clear policy prohibiting election-related expenditures from corporate funds.	The company identifies a specific board committee that approves direct and indirect political expenditures made from corporate funds. (Typically, this entails approval of a budget or spending plan.)	The policy suggests that there is board committee involvement, but whether the committee approves the company's political expenditures is unclear or ambiguous.	There is no indication that a specified board committee approves corporate political expenditures.
21	The company has a clear policy prohibiting election-related expenditures from corporate funds.	The board committee identified by the company is composed entirely of independent directors.	(A company cannot receive "Partial" for this indicator.)	The independence of the committee members cannot be determined, or there is no indication that a board committee oversees corporate political expenditures.
22	The company has a clear policy prohibiting election-related expenditures from corporate funds and restricts its payments to third party groups to non-election related purposes.	The company's disclosure reports are issued semi-annually.	The reports are issued annually.	The company does not issue disclosure reports.
23	The company has a clear policy prohibiting election-related expenditures from corporate funds.	The company has a webpage dedicated to its political spending policy and/or disclosure reports that can be easily found through an internet search (i.e., company name and "political contributions" or "political expenditures") or can be navigated to within 3 clicks from the company's home page.	The company has a dedicated political spending webpage, but it is somewhat difficult to find.	The company's political spending policy and/or disclosures cannot be found through a basic search, or extensive navigation through the website is required.
24	(A company cannot receive "N/A" for this indicator.)	The company includes a statement that it conducts compliance measures to ensure adherence to the political spending policy, or company disclosure reports include a statement confirming that all contributions were made in compliance with company policy.	A statement on compliance is included, but it is ambiguous (e.g., it's unclear whether the compliance measures apply to the political spending policy or general legal and ethical requirements).	No explicit statement is made concerning compliance with the company's own political spending policy.

# APPENDIX E: SCORED RANKING OF ALL COMPANIES

	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
	Becton, Dickinson and Co.	100.0	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	70	
	Edwards Lifesciences Corp.	100.0	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	70	
	HP Inc.	100.0	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	70	
	Northrop Grumman Corp.	100.0	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	70	
	Ameren Corp.	97.1	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	68	
	American International Group Inc.	97.1	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	68	
	AT&T	97.1	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	68	
	Capital One Financial Corp.	97.1	4	4	4	6	6	0	4	2	4	6	Y	2	2	2	2	2	2	2	2	2	4	2	2	68	
	Edison International	97.1	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	68	
	General Electric Co.	97.1	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	68	
	International Paper Co.	97.1	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	68
	JPMorgan Chase & Co.	97.1	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	68
	McKesson Corp.	97.1	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	68
	Noble Energy Inc.	97.1	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	68	
	State Street Corp.	97.1	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	68
	Unum Group	97.1	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	68
	Alphabet Inc.	95.7	4	4	4	6	6	2	4	2	4	6	N	1	2	2	2	2	2	2	2	0	2	4	2	2	67
	Host Hotels & Resorts Inc.	95.7	4	4	4	6	6	0	4	1	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	67	
	Sempra Energy	95.7	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	1	2	4	2	2	67
	Altria Group Inc.	94.3	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	66
	Exelon Corp.	94.3	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	66
	Gilead Sciences Inc.	94.3	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	66
	Intel Corp.	94.3	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	66
	Kellogg Co.	94.3	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	66
	Mastercard Inc.	94.3	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	66
	Microsoft Corp.	94.3	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	66
	U.S. Bancorp	94.3	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	0	0	4	2	2	66
	Union Pacific Corp.	94.3	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	66
	United Technologies Corp.	94.3	4	4	4	6	6	0	4	2	4	6	Y	2	2	2	2	2	2	2	2	0	2	4	2	2	66
	Visa Inc.	94.3	4	4	4	6	6	1	4	2	4	6	N	2	2	1	2	2	2	2	2	2	2	2	2	2	66
	AFLAC Inc.	92.9	4	4	4	6	6	0	4	2	4	6	N	1	2	2	2	2	2	2	2	0	2	4	2	2	65
	Bank of America Corp.	92.9	4	4	4	6	6	2	4	2	4	6	N	2	2	1	2	2	2	2	2	0	2	2	2	2	65
	Biogen Inc.	92.9	4	4	4	6	6	0	4	2	4	6	N	1	2	2	2	2	2	2	2	0	2	4	2	2	65
	Coca-Cola Co.	92.9	4	4	4	3	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	65	
	CVS Health Corp.	92.9	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	1	65
	Intuit Inc.	92.9	4	4	4	6	6	0	4	2	4	6	N	2	2	1	2	2	2	2	2	0	2	4	2	2	65
	Norfolk Southern Corp.	92.9	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	1	2	2	0	2	4	2	2	65
	United Parcel Service Inc.	92.9	4	4	4	6	3	0	4	2	4	6	Y	2	2	2	2	2	2	2	2	2	2	4	2	2	65
	Walgreens Boots Alliance Inc.	92.9	4	4	4	6	3	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	4	2	2	65	
	Bank of New York Mellon Corp.	91.4	4	4	4	6	6	2	4	2	4	6	N	0	2	1	2	2	1	2	2	0	2	4	2	2	64

	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
Trendsetters	Boeing Co.	91.4	4	4	4	6	6	2	4	2	4	6	N	1	2	2	2	2	1	2	2	2	0	2	2	2	64
	Bristol-Myers Squibb Co.	91.4	4	4	2	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	64
	Dominion Energy Inc.	91.4	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	64
	Estée Lauder Companies Inc.	91.4	4	4	4	3	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	2	4	2	1	64
	General Mills Inc.	91.4	4	4	4	3	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	1	2	4	2	2	64
	Hartford Financial Services Group In	91.4	4	4	4	6	6	2	4	2	4	6	N	0	2	0	2	2	2	2	2	0	2	4	2	2	64
	Honeywell International Inc.	91.4	4	4	0	6	6	2	4	2	4	6	Y	2	2	2	2	2	2	2	2	2	2	2	2	2	64
	Mondelez International Inc.	91.4	4	4	4	6	6	2	4	2	4	6	N	1	2	1	2	2	2	2	2	0	2	2	2	2	64
	Morgan Stanley	91.4	4	4	4	6	0	2	4	2	4	6	N	2	2	2	2	2	2	2	2	2	2	4	2	2	64
	MSCI Inc.	91.4	4	4	4	3	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	2	4	2	1	64
	Regeneron Pharmaceuticals Inc.	91.4	4	4	4	3	6	0	4	1	4	6	N	2	2	2	2	2	2	2	2	2	2	4	2	2	64
	Regions Financial Corp.	91.4	4	4	4	6	6	0	4	2	4	6	N	2	2	1	2	2	1	2	2	0	2	4	2	2	64
	Tiffany & Co.	91.4	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	0	0	2	2	2	64
	UnitedHealth Group Inc.	91.4	4	4	4	6	3	0	4	2	4	6	N	2	1	2	2	2	2	2	2	2	2	4	2	2	64
	AbbVie Inc.	90.0	4	4	4	3	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	63
	Alexion Pharmaceuticals Inc.	90.0	4	4	4	6	6	0	4	2	4	6	N	2	2	1	2	2	2	2	2	0	2	4	2	0	63
	Apache Corp.	90.0	4	4	4	6	3	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	2	2	2	2	63
	Celgene Corp.	90.0	4	4	4	6	3	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	63
	Cisco Systems Inc.	90.0	4	4	4	6	6	2	4	2	2	6	N	1	2	2	2	2	0	2	2	0	2	4	2	2	63
	ConocoPhillips	90.0	4	4	4	3	6	0	4	2	2	6	N	2	2	2	2	2	2	2	2	2	2	4	2	2	63
	Consolidated Edison Inc.	90.0	4	4	4	6	6	0	4	1	2	6	N	2	2	2	2	2	2	2	2	2	2	2	2	2	63
	CSX Corp.	90.0	4	4	4	6	6	0	4	2	4	6	N	1	2	1	2	2	1	2	2	2	2	2	2	2	63
	Entergy Corp.	90.0	4	4	4	6	6	0	4	2	4	6	N	2	2	1	2	2	2	2	2	0	2	2	2	2	63
	Humana Inc.	90.0	4	4	4	6	3	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	63
	Johnson & Johnson	90.0	4	4	4	6	3	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	63
	McDonald's Corp.	90.0	4	4	4	6	3	2	4	2	4	6	N	1	2	1	2	2	2	2	1	1	2	4	2	2	63
	Merck & Co. Inc.	90.0	4	4	4	6	3	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	63
	Prudential Financial Inc.	90.0	4	2	4	6	3	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	2	4	2	2	63
	Qualcomm Inc.	90.0	4	4	4	6	3	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	63
	Salesforce.com Inc.	90.0	4	4	4	3	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	63
	Tractor Supply Co.	90.0	4	4	4	3	6	0	4	2	4	6	N	2	2	2	2	2	1	2	2	2	2	4	2	1	63
	WellCare Health Plans, Inc.,	90.0	4	4	4	6	6	0	4	2	2	6	N	2	2	2	2	2	2	2	2	2	2	2	1	2	63
	Williams Companies Inc. (The)	90.0	4	4	4	6	6	0	4	1	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	63
First Tier	American Express Co.	88.6	4	4	4	6	3	0	4	2	4	6	N	2	2	1	2	2	2	2	2	0	2	4	2	2	62
	Ameriprise Financial Inc.	88.6	4	4	4	6	6	2	4	2	4	6	N	1	2	0	1	2	2	2	2	0	2	2	2	2	62
	Freeport-McMoRan Inc.	88.6	4	4	4	6	6	0	4	1	4	6	N	2	2	1	2	2	2	2	2	0	2	2	2	2	62
	Lincoln National Corp.	88.6	4	4	4	6	6	0	4	2	4	6	N	2	2	0	2	2	2	2	2	0	2	2	2	2	62
	PPL Corp.	88.6	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	0	2	2	2	0	2	2	2	62
	Wells Fargo & Co.	88.6	4	4	4	6	6	2	2	1	2	6	N	2	2	1	2	2	2	2	2	0	2	4	2	2	62
	Fluor Corp.	87.1	4	4	4	6	0	0	4	2	4	6	N	2	2	1	2	2	2	2	2	2	2	4	2	2	61

	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
First Tier	Kraft Heinz Co.	87.1	4	4	4	6	6	2	4	2	4	6	N	2	2	1	2	2	0	1	1	0	0	4	2	2	61
	Texas Instruments Inc.	87.1	4	2	4	3	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	61
	Ventas Inc.	87.1	4	4	4	6	3	0	4	2	4	6	N	1	2	0	2	2	2	2	2	1	2	4	2	2	61
	Electronic Arts Inc.	85.7	4	4	4	6	0	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	2	4	2	0	60
	KeyCorp	85.7	4	4	4	6	6	0	2	1	4	6	N	2	2	1	2	2	2	2	2	0	2	2	2	2	60
	Mylan NV	85.7	4	4	4	6	6	0	4	2	0	6	N	1	2	1	2	2	2	2	2	0	2	4	2	2	60
	Pinnacle West Capital Corp.	85.7	4	4	4	6	6	0	4	2	0	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	60
	Principal Financial Group Inc.	85.7	4	4	4	0	6	0	4	2	4	6	N	2	2	1	2	2	2	2	1	2	2	4	2	2	60
	Target Corp.	85.7	2	2	2	6	6	2	2	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	60
	Walt Disney Co., The	85.7	4	4	4	6	0	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	4	2	2	60
	3M Co.	84.3	4	4	4	6	0	0	4	2	4	6	N	2	1	2	2	2	2	2	2	0	2	4	2	2	59
	Allergan PLC	84.3	4	4	4	6	0	0	4	2	4	6	N	2	2	2	2	2	2	2	1	0	2	4	2	2	59
	Citigroup Inc.	84.3	4	4	4	3	6	0	4	2	4	6	N	1	2	1	2	2	2	2	2	0	2	2	2	2	59
	Dow Inc.	84.3	4	4	4	6	6	0	2	2	4	6	N	0	2	2	2	2	2	1	2	2	0	2	2	2	59
	Fifth Third Bancorp	84.3	4	4	4	6	6	0	4	2	0	6	N	1	2	0	2	2	2	2	2	0	2	4	2	2	59
	General Motors Co.	84.3	4	4	4	6	3	0	2	2	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	59
	Kohls Corp.	84.3	4	4	4	3	6	0	4	2	4	6	N	0	2	1	2	2	2	2	2	0	2	4	1	2	59
	Medtronic PLC	84.3	4	4	4	6	6	0	4	2	4	6	N	1	1	1	2	2	0	2	2	0	2	4	2	0	59
	Public Service Enterprise Group	84.3	4	4	4	6	3	0	4	2	4	6	N	1	2	2	2	2	1	2	2	0	2	2	2	2	59
	Verizon Communications	84.3	4	4	4	3	3	0	4	2	4	6	N	2	2	2	2	2	1	2	2	0	2	4	2	2	59
	WestRock Co.	84.3	0	4	4	6	6	0	4	2	4	6	N	2	2	1	2	2	2	2	2	0	2	2	2	2	59
	Weyerhaeuser Co.	84.3	4	4	4	3	6	0	4	1	4	6	N	2	2	2	2	2	2	2	1	0	2	2	2	2	59
	Zimmer Biomet Holdings Inc.	84.3	4	4	4	6	0	0	4	2	2	6	N	2	2	2	2	2	2	2	2	2	2	4	1	2	59
	Amazon.com Inc.	82.9	4	4	4	3	3	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	58
	American Water Works Co., Inc.	82.9	4	4	4	6	3	0	0	2	4	6	Y	2	2	2	2	2	2	2	2	2	2	2	2	1	58
	AmerisourceBergen Corp.	82.9	0	4	4	6	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	0	58
	Anadarko Petroleum Corp.	82.9	4	4	4	0	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	58
	Apple Inc.	82.9	4	4	4	6	0	0	4	2	4	6	N	2	1	2	2	2	1	2	2	0	2	4	2	2	58
	Cigna Corp.	82.9	4	4	4	6	0	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	58
	Comcast Corp.	82.9	4	4	4	0	6	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	58
	Darden Restaurants Inc.	82.9	4	4	4	6	3	0	4	2	4	6	N	1	2	2	2	2	0	2	2	0	2	2	2	2	58
	Hormel Foods Corp.	82.9	4	4	4	3	6	0	4	2	2	6	N	2	2	2	2	2	1	2	0	2	2	2	2	2	58
	Procter & Gamble Co.	82.9	4	4	4	6	6	0	4	2	4	6	N	1	2	2	2	2	1	1	1	0	2	2	2	0	58
	Amgen Inc.	81.4	4	4	4	6	0	0	4	1	4	6	N	2	1	2	2	2	2	2	2	0	2	4	2	1	57
	Best Buy Co. Inc.	81.4	4	4	4	3	3	0	4	1	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	57
	Danaher Corp.	81.4	4	4	4	0	6	0	4	2	4	6	N	2	2	2	2	2	2	2	0	2	2	2	2	1	57
	Lowe's Companies Inc.	81.4	4	4	4	3	6	0	4	2	4	6	N	1	2	2	2	2	0	2	2	0	2	2	2	1	57
	MetLife Inc.	81.4	4	4	4	6	3	0	4	1	4	6	N	1	2	2	2	2	2	2	2	0	2	2	2	0	57
	Newmont Mining Corp.	81.4	4	4	0	3	6	0	4	2	4	6	N	2	2	1	2	2	1	2	2	2	2	2	2	2	57
	NiSource Inc.	81.4	4	4	2	6	3	0	4	2	4	6	N	2	2	1	2	2	2	2	2	0	2	2	2	1	57

	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
	Western Digital Corp.	81.4	4	4	4	0	6	0	4	2	4	6	N	2	2	2	2	2	0	2	1	2	2	4	2	0	57
	Xcel Energy Inc.	81.4	4	4	4	6	3	0	4	2	0	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	57
	Abbott Laboratories	80.0	4	4	4	3	0	0	4	2	4	6	N	2	2	2	2	2	2	1	2	0	2	4	2	2	56
	AES Corp.	80.0	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	0	2	0	0	0	0	2	2	2	56
	Campbell Soup Co.	80.0	4	4	4	6	6	0	4	2	4	6	N	1	2	2	2	2	1	1	1	0	0	2	2	0	56
	Cerner Corp.	80.0	4	4	4	6	0	0	4	2	4	6	N	2	1	1	2	2	2	2	2	0	2	2	2	2	56
	Corning Inc.	80.0	2	2	4	6	3	0	4	2	4	6	N	1	2	0	2	2	2	2	2	0	2	4	2	2	56
	Ford Motor Co.	80.0	4	4	4	3	6	0	2	2	4	6	N	2	2	2	2	2	0	2	2	0	0	4	2	1	56
	Gap Inc.	80.0	4	4	4	3	6	0	4	2	4	6	N	2	2	2	2	2	1	1	1	0	0	2	2	2	56
	H&R Block Inc.	80.0	4	4	0	6	3	0	4	2	4	6	N	2	2	1	2	2	2	2	2	0	2	2	2	2	56
	Illinois Tool Works Inc.	80.0	4	4	4	0	6	0	4	2	4	6	N	2	2	2	2	2	0	2	0	2	2	2	2	2	56
	LyondellBasell Industries NV	80.0	4	4	4	6	6	0	4	2	4	6	N	2	2	2	2	0	0	0	0	0	0	4	2	2	56
	National Oilwell Varco Inc.	80.0	4	4	4	0	6	0	4	1	2	6	N	2	2	2	2	2	2	2	1	2	2	2	2	2	56
	Newell Brands Inc.	80.0	4	4	4	0	6	0	4	2	2	6	N	2	2	2	2	2	2	2	2	2	2	2	2	0	56
	Southern Co.	80.0	4	4	4	6	6	0	4	2	4	6	N	1	2	2	2	2	0	1	0	0	0	2	2	2	56
	Yum Brands Inc.	80.0	4	4	4	6	0	0	4	2	2	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	56
	Cardinal Health Inc.	78.6	4	2	4	6	0	1	4	2	4	6	N	2	2	1	2	2	2	2	2	0	2	2	2	1	55
	Chubb Ltd.	78.6	4	2	2	6	3	0	2	1	4	6	N	2	2	1	2	2	2	2	2	2	2	2	2	2	55
	Lockheed Martin Corp.	78.6	4	4	4	3	0	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	55
	Nordstrom Inc.	78.6	4	4	4	0	6	0	4	2	2	6	N	2	2	2	2	2	2	2	1	2	2	2	2	0	55
	Pfizer Inc.	78.6	4	4	4	3	0	0	4	2	4	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	55
	Phillips 66	78.6	4	4	4	6	0	0	4	2	0	6	N	2	2	1	2	2	2	2	2	2	2	2	2	2	55
	Starbucks Corp.	78.6	4	4	0	3	6	0	4	2	4	6	N	1	2	2	2	2	2	2	2	0	2	2	1	2	55
	Symantec Corp.	78.6	4	4	4	0	0	0	4	1	4	6	N	2	2	2	2	2	2	2	2	2	2	4	2	2	55
	United Rentals Inc.	78.6	4	4	4	6	0	0	4	2	4	3	N	2	2	2	2	2	0	2	2	2	2	4	2	0	55
	Aon PLC	77.1	4	4	4	0	6	0	4	2	2	6	N	2	2	2	2	2	0	2	0	2	2	2	2	2	54
	CF Industries Holdings Inc.	77.1	4	4	0	6	3	0	4	1	4	6	N	1	2	1	2	2	0	2	2	0	2	4	2	2	54
	Intuitive Surgical Inc.	77.1	4	4	4	0	6	0	4	2	2	6	N	2	2	2	2	2	0	2	0	2	2	2	2	2	54
	L3 Technologies Inc.	77.1	4	4	4	0	0	0	4	2	4	6	N	2	2	2	2	2	2	2	2	2	2	2	2	2	54
	Anthem Inc.	75.7	4	4	0	6	0	0	4	2	4	6	N	2	1	2	2	2	2	2	2	0	2	2	2	2	53
	BlackRock Inc.	75.7	4	4	4	3	0	0	4	2	2	6	N	2	2	2	2	2	1	2	1	2	2	2	2	2	53
	Caterpillar Inc.	75.7	4	4	4	3	0	0	4	2	4	6	N	2	2	2	2	2	0	2	2	0	2	4	2	0	53
	eBay Inc.	75.7	4	4	4	6	0	0	0	2	4	6	N	2	1	2	2	2	2	2	2	0	2	2	2	2	53
	Franklin Resources Inc.	75.7	4	4	4	3	0	0	4	2	0	6	N	2	2	2	2	2	2	2	2	2	2	2	2	2	53
	Intercontinental Exchange Inc.	75.7	4	4	2	3	6	0	4	2	2	6	N	2	2	2	2	2	0	2	0	2	2	2	2	0	53
	Kansas City Southern	75.7	4	4	4	6	6	2	2	2	0	6	N	2	2	1	2	2	2	2	2	0	0	0	2	0	53
	Quest Diagnostics Inc.	75.7	4	0	4	3	6	0	4	1	4	6	N	2	1	0	2	2	2	2	2	0	2	2	2	2	53
	Travelers Companies Inc.	75.7	4	4	4	3	0	0	0	2	4	6	N	1	2	2	2	2	2	2	2	1	2	4	2	2	53
	Clorox Co.	74.3	2	4	4	0	6	0	4	2	2	6	N	2	2	0	2	2	2	2	2	0	2	4	2	0	52
	Costco Wholesale Corp.	74.3	4	4	4	6	0	1	0	2	2	6	N	2	2	1	2	2	1	2	2	1	2	2	2	2	52

	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
	FedEx Corp.	74.3	4	4	4	0	6	0	4	2	0	6	N	2	2	2	2	2	2	2	2	0	2	0	2	2	52
	PepsiCo Inc.	74.3	4	4	4	3	0	0	4	2	2	6	N	2	2	2	2	2	2	2	2	0	2	2	2	1	52
	Archer Daniels Midland Co.	72.9	0	2	4	3	6	0	4	2	2	6	N	2	2	2	2	2	2	2	0	0	2	2	2	2	51
	BB&T Corp.	72.9	4	4	4	0	0	0	4	2	2	6	N	2	2	2	2	2	2	2	2	1	2	2	2	2	51
	CenterPoint Energy Inc.	72.9	4	4	4	6	6	0	4	2	0	6	N	1	2	1	2	2	0	0	0	1	0	2	2	2	51
	ConAgra Foods Inc.	72.9	4	4	4	3	0	0	4	2	0	6	N	2	1	1	2	2	2	2	2	0	2	4	2	2	51
	T. Rowe Price Group Inc.	72.9	4	4	4	3	0	0	4	2	2	6	N	2	2	2	2	2	0	2	0	2	2	2	2	2	51
	W.W. Grainger Inc.	72.9	4	4	4	3	3	0	4	2	2	3	N	2	2	2	2	2	0	2	0	2	2	2	2	2	51
	Baxter International Inc.	71.4	4	4	0	6	6	0	4	1	0	6	N	2	2	2	2	2	1	2	2	0	0	2	2	0	50
	BorgWarner Inc.	71.4	4	4	4	3	0	0	4	1	2	6	N	2	2	2	2	2	0	2	0	2	2	2	2	2	50
	Chevron Corp.	71.4	4	4	0	3	6	0	4	2	0	6	N	1	1	1	2	2	2	2	2	0	2	2	2	2	50
	Cummins Inc.	71.4	4	4	4	6	6	0	4	1	4	6	N	1	2	2	1	1	0	0	0	0	0	2	2	0	50
	Discover Financial Services Inc.	71.4	4	4	4	3	6	0	4	1	2	6	N	2	2	2	2	2	0	0	0	2	2	0	2	0	50
	Iron Mountain Inc.	71.4	4	4	4	0	0	0	4	2	2	6	Y	2	2	2	2	2	2	2	0	2	2	2	2	2	50
	Raytheon Company	71.4	4	4	4	6	0	0	4	2	0	6	N	1	1	0	2	2	2	2	2	0	2	2	2	2	50
	Under Armour Inc.	71.4	4	4	4	0	0	0	4	1	2	6	N	2	2	2	2	2	2	2	1	2	2	2	2	2	50
	Applied Materials Inc.	70.0	4	4	4	3	3	0	4	1	4	6	N	2	2	2	2	0	0	0	0	0	0	4	2	2	49
	Autodesk Inc.	70.0	4	4	4	3	6	0	4	2	4	6	N	0	2	2	2	0	0	0	0	0	0	2	2	2	49
	Chipotle Mexican Grill Inc.	70.0	4	4	4	0	0	0	4	2	2	6	N	2	2	2	2	2	2	2	0	2	2	2	2	1	49
	Marathon Petroleum Corp.	70.0	4	4	0	3	0	0	4	1	4	6	N	2	1	2	2	2	2	2	2	0	2	2	2	2	49
	SVB Financial Group	70.0	4	2	2	3	3	0	2	2	4	6	N	1	2	1	2	2	2	2	2	0	2	2	1	2	49
	American Electric Power Company Inc.	68.6	4	4	0	6	6	0	0	2	0	6	N	1	2	2	2	2	1	2	2	0	2	2	2	0	48
	Ecolab Inc.	68.6	4	4	0	0	0	0	4	2	4	6	N	2	2	2	2	2	2	2	0	0	2	4	2	2	48
	EOG Resources	68.6	4	4	4	0	0	0	4	2	2	6	N	2	2	2	2	2	2	2	2	0	2	2	2	0	48
	Hewlett Packard Enterprise Co.	68.6	0	0	4	3	3	0	2	2	4	6	N	1	1	2	2	2	2	2	2	2	2	2	2	2	48
	Kroger Co., The	68.6	4	4	4	3	0	0	4	1	4	6	N	0	1	1	2	2	2	2	0	0	2	2	2	2	48
	Marathon Oil Corp.	68.6	0	2	4	3	3	0	4	2	0	6	N	2	2	2	2	2	2	2	2	0	2	2	2	2	48
	Pioneer Natural Resources Co.	68.6	4	4	0	6	3	0	4	2	0	6	N	0	2	2	2	2	0	2	2	0	2	2	2	1	48
	Sherwin-Williams Co.	68.6	4	4	4	0	0	0	4	2	2	6	N	2	2	2	2	2	0	2	0	2	2	2	2	2	48
	Dentsply Sirona Inc.	67.1	4	4	4	0	0	0	4	2	4	6	N	0	1	1	2	2	2	2	2	1	2	2	0	2	47
	Eli Lilly & Co.	67.1	4	4	0	3	6	0	4	0	4	3	N	0	1	2	0	2	2	2	2	0	2	2	2	2	47
	Oracle Corp.	67.1	4	4	4	0	0	0	4	2	4	6	N	2	1	2	2	2	0	2	0	0	2	2	2	2	47
	Ball Corp.	65.7	4	4	4	0	6	0	4	0	0	6	N	2	2	2	2	2	0	2	0	2	0	2	0	2	46
	Eaton Corp. PLC	65.7	4	4	4	0	0	0	4	2	0	6	N	2	2	0	2	2	2	2	2	0	2	2	2	2	46
	Facebook Inc.	65.7	4	2	4	3	3	0	4	2	4	6	N	2	2	2	2	0	0	0	0	0	0	2	2	2	46
	Invesco Ltd.	65.7	4	4	4	0	0	0	4	2	2	6	N	2	2	2	2	2	0	2	0	2	2	0	2	2	46
	PayPal Holdings Inc.	65.7	4	4	4	3	0	0	0	2	4	6	N	2	1	2	2	2	0	2	2	0	2	2	2	0	46
	PNC Financial Services Group Inc.	65.7	4	4	4	3	0	0	4	1	0	6	N	1	2	1	2	2	2	2	2	0	2	2	2	0	46
	Devon Energy Corp.	64.3	4	4	4	0	0	0	4	2	4	6	N	2	1	2	2	2	0	1	1	0	0	2	2	2	45



	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
	Home Depot Inc.	64.3	4	4	2	3	0	0	4	1	0	6	N	2	1	1	2	2	2	2	2	1	2	2	2	0	45
	McCormick & Company Inc.	64.3	4	0	0	3	3	0	2	2	2	6	N	2	2	1	2	2	2	2	2	2	2	2	2	0	45
	Pentair PLC	64.3	4	4	0	3	3	0	4	2	0	6	N	1	2	1	2	2	0	2	1	0	2	2	2	2	45
	Sealed Air Corp.	64.3	4	4	4	0	0	0	4	2	2	6	N	2	2	2	2	2	0	2	0	2	2	0	2	1	45
	Vulcan Materials Co.	64.3	4	4	4	3	0	0	4	2	0	6	Y	2	1	2	2	1	0	2	0	2	2	2	2	0	45
	Equinix Inc.	62.9	4	4	4	0	0	0	4	1	2	6	N	2	2	2	2	2	1	2	0	2	2	0	2	0	44
	Hershey Co., The	62.9	4	4	4	3	6	0	2	2	4	6	Y	1	2	0	2	0	0	0	0	0	0	2	2	0	44
	Huntington Bancshares Inc.	62.9	4	4	4	0	0	0	4	2	0	6	N	2	2	0	2	2	2	2	0	0	2	2	2	2	44
	Macy's Inc.	62.9	0	0	4	6	3	0	0	2	4	6	N	1	2	1	2	2	2	2	0	0	0	2	2	1	44
	Celanese Corporation	61.4	4	4	0	6	0	0	4	2	4	6	N	1	1	1	2	1	0	1	0	0	0	2	2	2	43
	CMS Energy Corp.	61.4	4	0	0	6	0	0	0	2	0	6	N	2	1	2	2	2	2	2	2	2	2	2	2	2	43
	Duke Energy Corp.	61.4	0	4	0	3	0	0	0	1	4	6	N	2	1	2	2	2	2	2	2	0	2	4	2	2	43
	Exxon Mobil Corp.	61.4	4	4	0	0	0	0	0	2	4	6	N	2	1	2	2	2	2	2	0	2	2	2	2	2	43
	Netapp Inc.	61.4	4	4	4	0	0	0	4	2	2	3	N	2	2	2	2	2	0	2	0	2	2	2	2	0	43
	Occidental Petroleum Corp.	61.4	4	4	0	3	0	0	4	2	4	6	N	2	1	0	2	2	0	1	2	0	0	2	2	2	43
	ONEOK Inc.	61.4	4	4	2	6	6	0	4	0	0	3	N	1	1	2	0	2	1	1	2	0	2	0	2	0	43
	WEC Energy Group Inc.	61.4	2	0	0	6	0	0	0	2	4	6	N	2	1	2	2	2	2	2	0	2	2	2	2	2	43
	CenturyLink Inc.	60.0	2	2	0	3	3	0	2	2	0	6	N	2	2	2	2	2	2	1	1	1	0	4	2	2	42
	PVH Corp.	60.0	4	4	4	0	0	0	4	1	2	3	N	2	2	2	2	2	0	2	0	2	2	2	2	0	42
	Eversource Energy	58.6	4	4	0	6	0	0	0	2	0	6	N	2	2	0	2	2	0	2	2	0	2	2	2	1	41
	Xerox Corp.	58.6	4	0	4	0	0	0	4	1	4	6	Y	1	1	2	2	2	0	2	0	0	2	2	2	2	41
	Adobe Systems Inc.	57.1	4	4	0	3	0	0	0	2	4	6	N	1	1	2	2	2	1	1	1	0	0	2	2	2	40
	Emerson Electric Co.	57.1	4	0	0	3	0	0	4	2	0	6	N	1	1	2	2	2	2	2	0	2	2	2	2	1	40
	Fleetcor Technologies, Inc.	57.1	4	4	4	0	0	0	4	1	0	3	N	2	2	2	2	2	0	2	0	2	2	2	2	0	40
	Valero Energy Corp.	57.1	4	2	2	6	3	0	2	2	0	6	N	1	1	0	1	2	0	0	0	0	2	2	2	2	40
	Albemarle Corp.	55.7	4	2	4	0	0	0	0	2	4	6	N	1	2	2	2	2	0	2	0	0	2	2	2	0	39
	Booking Holdings Inc.	55.7	0	0	4	0	6	0	0	2	0	6	N	1	2	0	2	2	2	2	2	2	2	0	2	2	39
	Deere & Co.	55.7	4	4	4	6	0	0	4	2	0	6	N	2	1	0	2	0	0	0	0	0	0	2	2	0	39
	Eastman Chemical Co.	55.7	0	0	4	6	0	0	0	2	2	6	N	1	2	0	2	2	2	2	2	0	2	0	2	2	39
	Masco Corp.	55.7	4	4	4	0	0	0	0	2	4	6	N	2	1	0	2	2	0	2	0	0	2	2	2	0	39
	News Corp.	55.7	4	4	4	0	0	0	4	2	4	6	N	2	2	1	2	0	0	0	0	0	0	2	2	0	39
	Nike Inc.	55.7	2	0	0	0	0	0	2	2	4	6	N	2	2	1	2	2	2	2	2	0	2	2	2	2	39
	S&P Global Inc.	55.7	4	4	0	3	6	0	0	2	0	6	N	1	2	2	2	2	0	0	0	0	0	2	2	1	39
	Thermo Fisher Scientific Inc.	55.7	4	0	0	6	6	0	4	1	4	6	N	0	2	0	2	0	0	0	0	0	0	2	2	0	39
	Arista Networks	54.3	4	4	4	0	0	0	4	1	0	3	N	2	2	2	2	2	0	2	0	2	2	0	2	0	38
	Maxim Integrated Products Inc.	54.3	4	4	4	0	0	0	4	1	0	3	N	2	2	2	2	2	0	2	0	2	2	0	2	0	38
	Synchrony Financial	54.3	4	4	4	3	0	0	4	2	2	6	N	2	1	0	2	0	0	0	0	0	0	2	2	0	38
	Marriott International Inc.	52.9	2	2	4	6	0	0	0	1	0	6	N	1	1	0	2	2	1	1	0	0	0	4	2	2	37
	Allstate Corp.	51.4	0	0	0	3	3	0	0	2	0	6	N	2	2	2	2	2	2	2	2	0	2	0	2	2	36
	Waste Management Inc.	51.4	0	0	0	6	3	0	0	2	0	6	N	2	2	2	2	2	1	1	1	0	0	2	2	2	36

	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
	Zoetis Inc.	51.4	0	4	4	0	0	0	4	0	2	6	N	2	2	2	1	0	0	2	0	1	2	0	2	2	36
	Colgate-Palmolive Co.	50.0	4	0	4	6	0	2	0	1	2	6	N	0	1	0	1	0	0	0	2	0	0	2	2	2	35
	Republic Services Inc.	50.0	0	0	0	3	0	0	0	2	0	6	N	2	2	2	2	2	2	2	0	2	2	2	2	2	35
	Southwest Airlines Co.	50.0	0	4	0	3	0	0	4	2	4	6	N	2	1	1	2	2	0	1	0	0	0	2	1	0	35
	TJX Companies Inc.	50.0	4	4	4	0	0	0	0	2	0	6	N	2	2	1	2	2	2	0	0	0	2	0	2	0	35
	Atmos Energy Corporation	48.6	4	0	0	6	0	0	0	2	0	6	N	1	1	0	2	2	0	2	2	0	2	2	1	1	34
	FirstEnergy Corp.	48.6	0	0	0	6	0	0	0	1	2	6	N	2	2	0	2	2	2	2	2	0	2	0	2	1	34
	FMC Corp.	47.1	4	0	0	6	3	0	4	2	2	3	N	0	1	0	2	0	0	0	0	0	0	4	2	0	33
	Boston Scientific Corp.	45.7	0	0	0	3	3	0	0	1	0	6	N	1	2	2	2	2	0	2	2	0	2	2	2	0	32
	Boston Properties Inc.	44.3	0	0	0	3	0	0	0	2	0	6	N	2	2	0	2	2	2	2	2	0	2	0	2	2	31
	Hasbro Inc.	44.3	4	4	4	0	0	0	4	1	0	3	N	2	1	0	2	0	0	2	0	2	0	0	2	0	31
	Progressive Corp.	44.3	0	0	0	3	0	0	0	1	0	6	N	2	2	1	2	2	2	2	2	0	2	0	2	2	31
	Rollins Inc.	44.3	4	4	4	0	0	0	4	1	2	3	N	0	1	0	2	1	0	2	0	1	0	2	0	0	31
	Equity Residential	42.9	0	0	0	3	0	0	0	2	0	6	N	2	2	0	2	2	1	2	2	0	2	0	2	2	30
	Alliant Energy Corp.	41.4	0	0	0	0	0	0	0	2	0	6	N	2	2	1	2	2	2	2	2	0	2	0	2	2	29
	DaVita HealthCare Partners Inc.	41.4	0	0	0	3	0	0	0	2	0	6	N	1	1	2	2	2	2	2	0	2	2	0	2	0	29
	NRG Energy Inc.	41.4	0	0	0	0	0	0	0	2	0	6	N	2	1	2	2	2	2	2	2	0	2	0	2	2	29
	Wynn Resorts Ltd.	41.4	0	0	0	3	0	0	0	1	0	6	N	1	2	1	2	2	2	2	1	0	2	0	2	2	29
	AutoZone Inc.	40.0	0	0	0	0	0	0	0	2	0	6	N	2	2	2	2	2	2	2	0	0	2	0	2	2	28
	International Flavors & Fragrances Inc.	40.0	4	4	2	0	3	0	0	2	2	3	N	1	1	2	2	0	0	0	0	0	0	2	0	0	28
	Interpublic Group of Companies Inc.	40.0	4	0	4	0	0	0	2	1	0	6	N	0	1	0	2	2	2	2	0	0	2	0	0	0	28
	SunTrust Banks Inc.	40.0	4	4	4	0	6	0	0	0	0	6	N	0	2	0	0	0	0	0	0	0	0	0	2	0	28
	Total System Services Inc.	40.0	0	0	4	0	0	0	0	2	0	6	N	0	1	1	2	2	2	2	2	0	2	0	2	0	28
	American Airlines Group Inc.	38.6	0	0	0	0	0	0	0	2	0	6	N	1	1	2	2	2	2	2	2	0	2	0	2	1	27
	Arconic Inc.	38.6	4	0	0	3	0	0	0	2	0	6	N	0	2	2	2	2	0	0	0	0	0	0	2	2	27
	AvalonBay Communities Inc.	38.6	0	0	0	0	0	0	0	2	0	6	N	2	2	1	2	2	2	2	0	0	2	0	2	2	27
	General Dynamics Corp.	38.6	0	4	0	0	6	0	0	2	0	6	N	1	2	0	2	2	0	0	0	0	0	0	2	0	27
	PulteGroup Inc.	38.6	0	0	0	0	0	0	0	2	4	6	N	0	1	0	2	2	0	2	0	0	2	2	2	2	27
	Synopsys Inc.	38.6	4	4	0	0	0	0	4	0	4	6	N	0	1	2	0	0	0	0	0	0	0	0	2	0	27
	CarMax Inc.	37.1	0	0	4	0	0	0	0	2	0	6	N	1	2	1	2	2	0	2	0	0	2	0	2	0	26
	Centene Corp.	37.1	0	0	0	0	0	0	0	2	0	6	N	2	1	1	2	2	2	2	0	0	2	0	2	2	26
	Halliburton Co.	37.1	4	0	0	6	0	0	0	1	0	6	N	1	2	0	2	0	0	0	0	0	0	2	2	0	26
	Whirlpool Corp.	37.1	0	4	0	3	0	0	0	1	0	6	N	1	2	2	2	1	0	0	0	0	0	2	1	1	26
	DTE Energy Co.	35.7	0	0	0	0	0	0	0	2	0	6	N	1	1	1	2	2	2	2	2	0	2	0	2	0	25
	Motorola Solutions Inc.	35.7	0	0	0	3	0	0	0	2	0	6	N	2	1	2	2	2	0	1	0	0	0	0	2	2	25
	PPG Industries Inc.	35.7	0	0	2	3	0	0	4	1	0	6	N	2	2	2	1	0	0	0	0	0	0	0	2	0	25
	Universal Health Services Inc.	35.7	0	0	0	0	0	0	0	2	0	6	N	2	2	0	2	2	2	2	2	0	2	0	1	0	25
	Cabot Oil & Gas Corp.	34.3	0	0	0	3	0	0	0	2	0	6	N	0	1	1	2	2	2	1	0	0	0	0	2	2	24
	Harley-Davidson Inc.	34.3	0	0	0	6	0	0	0	0	0	6	N	1	0	0	2	2	1	1	1	0	0	2	2	0	24



	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
Fourth Tier	Johnson Controls International plc	34.3	4	0	0	3	0	0	0	2	0	6	N	2	1	2	2	0	0	0	0	0	0	0	2	0	24
	Northern Trust Corp.	34.3	2	0	0	3	0	0	0	0	0	3	N	1	1	2	0	2	2	2	2	0	2	0	2	0	24
	Alaska Air Group	31.4	0	0	0	0	0	0	0	2	0	6	N	2	0	1	2	2	2	2	0	0	2	0	0	1	22
	Equifax Inc.	30.0	0	0	0	0	0	0	0	2	0	6	N	1	2	0	0	2	2	2	0	0	2	0	2	0	21
	Paychex Inc.	28.6	4	4	0	0	0	0	4	2	0	6	N	0	0	0	0	0	0	0	0	0	0	0	0	0	20
	Air Products and Chemicals Inc.	27.1	2	0	0	0	0	0	0	0	0	3	N	2	1	0	1	2	2	2	0	0	2	0	2	0	19
	Charles Schwab Corp.	27.1	0	0	0	0	0	0	0	2	0	6	N	0	1	0	2	2	0	2	0	0	2	0	2	0	19
	Comerica Inc.	27.1	4	4	0	3	0	0	0	1	0	3	N	0	1	0	1	0	0	0	0	0	0	0	2	0	19
	Wal-Mart Stores Inc.	27.1	0	0	0	0	0	0	0	2	0	6	N	0	0	0	2	2	1	1	1	1	2	0	1	0	19
	L Brands Inc.	25.7	0	0	0	6	0	0	0	2	0	3	N	1	1	1	2	0	0	0	0	0	0	0	2	0	18
	NextEra Energy Inc.	25.7	0	0	0	0	0	0	0	2	0	6	N	2	1	1	2	0	0	0	0	0	0	0	2	2	18
	Royal Caribbean Cruises Ltd.	25.7	0	0	0	0	0	0	0	2	0	6	N	1	2	1	2	0	0	0	0	0	0	0	2	2	18
	HCA Holdings Inc.	22.9	0	0	0	0	0	0	0	2	0	6	N	1	1	2	2	0	0	0	0	0	0	0	2	0	16
	Ingersoll-Rand PLC	21.4	0	4	0	0	0	0	0	0	0	6	N	0	1	2	0	0	0	0	0	0	0	0	2	0	15
	Laboratory Corp. of America Holding	21.4	2	0	0	0	3	0	0	1	0	3	N	0	1	1	2	0	0	0	0	0	0	0	0	2	15
	Tapestry Inc.	21.4	4	0	0	0	0	0	4	0	0	6	N	0	1	0	0	0	0	0	0	0	0	0	0	0	15
	TE Connectivity Ltd.	21.4	0	0	0	3	0	0	0	1	0	6	N	1	1	0	2	0	0	0	0	0	0	0	1	0	15
	Advance Auto Parts Inc.	20.0	4	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	2	0	14
	Assurant Inc.	20.0	0	0	4	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	2	0	14
	CBRE Group Inc.	20.0	2	2	2	0	0	0	2	1	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	14
	Concho Resources Inc.	20.0	0	0	0	0	0	0	0	2	0	3	N	0	1	0	2	2	2	0	0	0	0	0	0	2	14
Bottom Tier	Sysco Corp.	18.6	0	0	0	0	0	0	0	2	0	3	N	1	1	2	2	0	0	0	0	0	0	0	2	0	13
	Viacom Inc.	18.6	4	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	1	13
	Abiomed, Inc.	17.1	4	0	0	0	0	0	0	1	0	6	N	0	1	0	0	0	0	0	0	0	0	0	0	0	12
	Alliance Data Systems Corp.	17.1	0	0	0	0	0	0	0	2	0	6	N	1	0	1	2	0	0	0	0	0	0	0	0	0	12
	Flowserve Corp.	17.1	4	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	12
	Foot Locker Inc.	17.1	4	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	12
	IPG Photonics Corp.	17.1	0	0	4	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	12
	Stryker Corp.	17.1	4	0	0	0	0	0	0	1	0	3	N	0	1	0	1	0	0	0	0	0	0	0	0	2	12
	Coty Inc.	15.7	2	0	2	0	0	0	0	1	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	11
	Discovery Inc.	15.7	0	0	0	0	0	0	0	2	0	3	N	2	0	0	2	0	0	0	0	0	0	0	2	0	11
	Molson Coors Brewing Co.	15.7	0	0	0	0	0	0	0	2	0	6	N	0	0	1	2	0	0	0	0	0	0	0	0	0	11
	Prologis Inc.	14.3	2	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	10
	Raymond James Financial Inc.	14.3	0	0	0	0	0	0	0	1	0	3	N	0	1	0	2	0	0	0	0	0	0	0	1	2	10
	Verisk Analytics Inc.	14.3	0	0	0	0	0	0	0	2	0	3	N	0	0	1	2	0	0	0	0	0	0	0	0	2	10
	Align Technology Inc.	12.9	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	2	9
	HCP Inc.	12.9	0	0	0	0	0	0	0	0	0	3	N	0	1	0	1	2	0	0	0	1	0	0	1	0	9
	Leggett & Platt Inc.	12.9	0	0	0	0	0	0	0	0	0	3	N	1	0	1	0	0	0	0	0	0	0	0	2	2	9
	SBA Communications Corp.	12.9	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	2	9
	Cimarex Energy Co.	11.4	0	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	8

	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
Bottom Tier	Cognizant Technology Solutions Cor	11.4	0	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	8
	Crown Castle International Corp.	11.4	0	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	8
	Delta Air Lines Inc.	11.4	0	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	8
	Microchip Technology Inc.	11.4	0	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	8
	Packaging Corp. of America	11.4	0	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	8
	Qorvo Inc.	11.4	0	0	0	0	0	0	0	2	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	8
	TechnipFMC PLC	11.4	4	0	0	0	0	0	0	0	0	3	N	0	1	0	0	0	0	0	0	0	0	0	0	0	8
	Western Union Co.	11.4	2	0	0	0	0	0	0	2	0	3	N	0	1	0	0	0	0	0	0	0	0	0	0	0	8
	Akamai Technologies Inc.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	Ametek Inc.	10.0	0	0	0	0	0	0	0	1	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	7
	Broadridge Financial Solutions, Inc.	10.0	4	0	0	0	0	0	0	0	0	3	N	0	0	0	0	0	0	0	0	0	0	0	0	0	7
	Brown-Forman Corp.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	C.H. Robinson Worldwide Inc.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	Carnival Corp.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	CBS Corp.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	Citizens Financial Group Inc.	10.0	0	0	0	0	0	0	0	1	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	7
	CME Group Inc.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	Constellation Brands Inc.	10.0	0	0	0	0	0	0	0	1	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	7
	D.R. Horton Inc.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	Henry Schein Inc.	10.0	0	0	0	0	0	0	0	1	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	7
	Incyte Corp.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	Jack Henry & Associates, Inc.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	Kinder Morgan Inc.	10.0	4	0	0	0	0	0	0	1	0	0	N	0	1	0	1	0	0	0	0	0	0	0	0	0	7
	Lennar Corp.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	LKQ Corp.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	Marsh & McLennan Companies Inc.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
	Martin Marietta Materials Inc.	10.0	0	0	0	0	0	0	0	1	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	7
	Micron Technology Inc.	10.0	0	0	0	0	0	0	0	1	0	3	N	1	0	0	2	0	0	0	0	0	0	0	0	0	7
	Mohawk Industries Inc.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	0	1	0	0	0	0	1	0	0	0	7
	PerkinElmer Inc.	10.0	0	0	0	0	0	0	0	1	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	7
	Perrigo Company PLC	10.0	4	0	0	0	0	0	0	0	0	3	N	0	0	0	0	0	0	0	0	0	0	0	0	0	7
	Resmed Inc.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7
Seagate Technology PLC	10.0	4	0	0	3	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	7	
Snap-On Inc.	10.0	4	0	0	0	0	0	0	0	0	3	N	0	0	0	0	0	0	0	0	0	0	0	0	0	7	
Stanley Black & Decker Inc.	10.0	0	0	0	0	0	0	0	2	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	7	
Agilent Technologies Inc.	8.6	0	0	0	0	0	0	0	1	0	3	N	0	1	0	1	0	0	0	0	0	0	0	0	0	6	
Charter Communications Inc.	8.6	0	0	0	0	0	0	0	1	0	3	N	0	1	0	1	0	0	0	0	0	0	0	0	0	6	
Digital Realty Trust Inc.	8.6	0	0	0	0	0	0	0	0	0	3	N	0	1	0	2	0	0	0	0	0	0	0	0	0	6	
DuPont de Nemours	8.6	0	0	0	0	0	0	0	1	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	6	
Hanes Brands Inc.	8.6	0	0	0	0	0	0	0	1	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	6	

	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
Bottom Tier	J.M. Smucker Co.	8.6	4	0	0	0	0	0	0	0	0	0	N	0	1	1	0	0	0	0	0	0	0	0	0	0	6
	Lamb Weston Holdings, Inc.	8.6	0	0	0	0	0	0	0	1	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	6
	Mosaic Co. (The)	8.6	0	0	0	0	0	0	0	1	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	6
	O'Reilly Automotive Inc.	8.6	0	0	0	0	0	0	0	1	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	6
	Parker Hannifin Corp.	8.6	2	0	0	0	0	0	0	0	0	3	N	0	1	0	0	0	0	0	0	0	0	0	0	0	6
	Rockwell Automation Inc.	8.6	2	0	0	0	0	0	0	0	0	3	N	0	1	0	0	0	0	0	0	0	0	0	0	0	6
	Textron Inc.	8.6	0	0	0	0	0	0	0	1	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	6
	Ulta Beauty, Inc	8.6	0	0	0	0	0	0	0	1	0	3	N	0	0	0	0	2	0	0	0	0	0	0	0	0	6
	Varian Medical Systems Inc.	8.6	0	0	0	0	0	0	0	1	0	3	N	0	0	0	2	0	0	0	0	0	0	0	0	0	6
	Advanced Micro Devices Inc.	7.1	0	0	0	0	0	0	0	1	0	3	N	0	0	1	0	0	0	0	0	0	0	0	0	0	5
	Dollar General Corp.	7.1	0	0	0	0	0	0	0	1	0	3	N	0	0	0	1	0	0	0	0	0	0	0	0	0	5
	Dover Corp.	7.1	0	0	0	0	0	0	0	2	0	3	N	0	0	0	0	0	0	0	0	0	0	0	0	0	5
	HollyFrontier Corporation	7.1	0	0	0	0	0	0	0	0	0	3	N	0	0	2	0	0	0	0	0	0	0	0	0	0	5
	Illumina Inc.	7.1	0	0	0	0	0	0	0	1	0	3	N	0	0	0	1	0	0	0	0	0	0	0	0	0	5
	Juniper Networks Inc.	7.1	0	0	0	0	0	0	0	0	0	3	N	0	1	0	1	0	0	0	0	0	0	0	0	0	5
	Keysight Technologies	7.1	0	0	0	0	0	0	0	1	0	3	N	0	0	0	1	0	0	0	0	0	0	0	0	0	5
	Mattel Inc.	7.1	0	0	0	0	0	0	0	1	0	3	N	0	0	0	1	0	0	0	0	0	0	0	0	0	5
	Moody's Corp.	7.1	0	0	0	0	0	0	0	1	0	3	N	0	0	0	1	0	0	0	0	0	0	0	0	0	5
	Nvidia Corp.	7.1	0	0	0	0	0	0	0	0	0	3	N	2	0	0	0	0	0	0	0	0	0	0	0	0	5
	Robert Half International Inc.	7.1	0	0	0	0	0	0	0	2	0	3	N	0	0	0	0	0	0	0	0	0	0	0	0	0	5
	Vertex Pharmaceuticals Inc.	7.1	0	0	0	0	0	0	0	0	0	3	N	0	0	2	0	0	0	0	0	0	0	0	0	0	5
	VF Corp.	7.1	0	0	0	0	0	0	0	0	0	3	N	0	0	2	0	0	0	0	0	0	0	0	0	0	5
	Wabtec Corporation	7.1	2	0	0	0	0	0	0	0	0	3	N	0	0	0	0	0	0	0	0	0	0	0	0	0	5
	Welltower Inc.	7.1	2	0	0	0	0	0	0	0	0	3	N	0	0	0	0	0	0	0	0	0	0	0	0	0	5
	A.O. Smith Corp.	5.7	4	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	4
	Activision Blizzard Inc.	5.7	0	0	0	0	0	0	0	0	0	3	N	0	1	0	0	0	0	0	0	0	0	0	0	0	4
	Allegion PLC	5.7	0	0	0	0	0	0	0	0	0	3	N	0	0	0	1	0	0	0	0	0	0	0	0	0	4
	American Tower Corp.	5.7	0	0	0	0	0	0	0	0	0	3	N	0	1	0	0	0	0	0	0	0	0	0	0	0	4
	Cooper Companies Inc.	5.7	0	0	0	0	0	0	0	0	0	3	N	0	0	0	0	0	0	0	0	0	0	0	0	1	4
	DXC Technology Co.	5.7	0	0	0	0	0	0	0	0	0	3	N	0	0	0	0	0	0	0	0	0	0	0	1	0	4
	FLIR Systems Inc.	5.7	0	0	0	0	0	0	0	2	0	0	N	0	0	0	2	0	0	0	0	0	0	0	0	0	4
	Fortinet	5.7	0	0	0	0	0	0	0	0	0	3	N	0	0	0	1	0	0	0	0	0	0	0	0	0	4
	Global Payments Inc.	5.7	0	0	0	0	0	0	0	2	0	0	N	0	0	0	2	0	0	0	0	0	0	0	0	0	4
	KLA-Tencor Corp.	5.7	0	0	0	0	0	0	0	0	0	3	N	0	1	0	0	0	0	0	0	0	0	0	0	0	4
	Lam Research Corp.	5.7	0	0	0	0	0	0	0	2	0	0	N	0	0	0	2	0	0	0	0	0	0	0	0	0	4
	Nasdaq Inc.	5.7	0	0	0	0	0	0	0	1	0	0	N	0	0	1	2	0	0	0	0	0	0	0	0	0	4
	Norwegian Cruise Line Holdings Inc.	5.7	0	0	0	0	0	0	0	2	0	0	N	0	0	0	2	0	0	0	0	0	0	0	0	0	4
	Roper Technologies Inc.	5.7	0	0	0	0	0	0	0	2	0	0	N	0	0	0	2	0	0	0	0	0	0	0	0	0	4
	Ross Stores Inc.	5.7	0	0	0	0	0	0	0	2	0	0	N	0	0	0	2	0	0	0	0	0	0	0	0	0	4
	Torchmark Corp.	5.7	0	0	0	0	0	0	0	0	0	3	N	0	0	0	1	0	0	0	0	0	0	0	0	0	4

[illegible]

	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
Bottom Tier	Diamondback Energy, Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	DISH Network Corp.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Dollar Tree Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Essex Property Trust Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	E-Trade Financial Corp.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Expedia Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Expeditors International of Washingto	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Extra Space Storage Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	F5 Networks Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Fastenal Co.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Federal Realty Investment Trust	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Fidelity National Information Service	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	First Republic Bank	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Fortive Corp.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Garmin Ltd.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Gartner Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	General Growth Properties Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Genuine Parts Co.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Hologic Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Huntington Ingalls Industries Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	IDEXX Laboratories Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	J.B. Hunt Transport Services Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Jefferies Financial Group Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Kimberly-Clark Corp.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Kimco Realty Corp.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Loews Corp.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	M&T Bank Corp.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Macerich Co.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	MGM Resorts International	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Mid-America Apartment Communiti	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Monster Beverage Corp.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Nektar Therapeutics	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Netflix Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Omnicom Group Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PACCAR Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	People's United Financial Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Realty Income Corp.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Red Hat Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	SL Green Realty Corp.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Take-Two Interactive Software, Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TransDigm Group Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Tripadvisor Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Verisign Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Vornado Realty Trust	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Willis Towers Watson PLC	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Xylem Inc.	0.0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## APPENDIX F: SCORES OF COMPANIES THAT DO NOT SPEND

	Company	Score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Raw Score
	Accenture PLC	100.0	4	4	4	6	6	2	4	2	4	6	Y	2	2	2	2	2	2	2	2	2	2	4	2	2	70
	Automatic Data Processing Inc.	100.0	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	2	2	4	2	2	70
	Goldman Sachs Group Inc.	100.0	4	4	4	6	6	2	4	2	4	6	Y	2	2	2	2	2	2	2	2	2	2	4	2	2	70
	Praxair Inc.	100.0	4	4	4	6	6	2	4	2	4	6	Y	2	2	2	2	2	2	2	2	2	2	4	2	2	70
	Schlumberger Ltd.	100.0	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	2	2	4	2	2	70
	Hess Corp.	98.6	4	4	4	6	6	2	4	2	4	6	Y	2	2	2	2	2	2	2	2	2	2	4	2	1	69
	International Business Machines Corp.	98.6	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	1	2	2	2	2	4	2	2	69
	Mettler-Toledo International Inc.	97.1	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	2	2	2	2	2	4	2	0	68
	Nielsen Holdings NV	97.1	4	4	4	6	6	2	4	2	4	6	Y	2	2	2	2	2	0	2	2	2	2	4	2	2	68
	Ralph Lauren Corp.	95.7	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	1	2	2	2	2	4	2	0	67
	Public Storage	94.3	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	0	2	2	2	2	4	2	0	66
	Fortune Brands Home & Security	91.4	4	4	4	6	6	2	4	2	4	6	N	2	2	2	2	2	0	2	2	2	2	4	0	0	64