

THOMAS P. DINAPOLI  
STATE COMPTROLLER



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ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

September 5, 2019

Mr. Lane Hudson  
Zero for Zeros  
455 Massachusetts Avenue NW  
Box 157  
Washington, D.C. 20001

Dear Mr. Hudson,

Thank you for your July 26, 2019 letter to Comptroller DiNapoli regarding our portfolio companies' potential exposure to business risks that can arise from corporate political spending. Comptroller DiNapoli has asked me to respond to your letter.

The Comptroller and the New York State Common Retirement Fund (Fund) have had longstanding concerns surrounding our portfolio companies' potential exposure to business risks that can arise from corporate political spending.

As you noted, many companies have strong records of adopting and enforcing inclusive LGBTQ policies for their employees. The Comptroller has long urged portfolio companies to adopt equal employment opportunities policies that protect LGBTQ rights, including just recently writing the remaining 47 Fortune 500 companies that have not adopted nondiscrimination policies that include sexual orientation and gender identity and expression.

These policies are important because research has shown that they lead to more positive business outcomes. However, it appears that there have been a number of instances where companies that publicly support LGBTQ rights have nonetheless engaged in political spending in support of politicians whose views and positions may undermine efforts to uphold those rights.

Such misalignment with a company's business strategy, corporate values, and the views of its workers and customers, risks reputational harm that can result in adverse short- and long-term financial impacts.

Comptroller DiNapoli and the Fund believe that companies that make contributions to candidates and political action committees should routinely review their policies and procedures for making corporate political expenditures to determine whether spending is aligned with corporate strategy and values, thereby mitigating the potential financial ramifications of misalignment.

Thank you again for your letter and attention to these important issues.

Sincerely,



Liz Gordon  
Executive Director of Corporate Governance