

# Netflix's pH Rating



## Public Statements Risk



Ted Sarandos and Reed Hastings, as heads of one of the world's most famous entertainment companies, are very visible. The website is also its main store front and the 'About' section containing an ESG heading is buried in the website footer under investor relations. The Hollywood writer strike is generating consistently bad press for the company, and the existence of an LGBTQ+ genre, in the current climate, seems like a ticking time bomb.

## Political Contributions Risk



Netflix's and its senior executives' political contributions are near the high-end of the sector and heavily favor Democrats. In 2022, one of Netflix's co-CEOs, Reed Hastings donated more than \$3 million to Democratic groups, and ranked #1 for political spending among CEOs of S&P 500 companies.

## Political Dichotomy Risk



Netflix leans heavily Democratic but has consumers from all political backgrounds. Labor negotiation, loss of access to consumer data, and brand reputation all mentioned as risk factors in the 10K. About half of all revenue comes from the United States, through streaming. The structure of the business locks the company into Content Obligations, non-cancelable obligations related to the licensing and production of content, making the company uniquely vulnerable to a subscriber boycott for a tech firm.

## Associational Risk



The riskiest association is with the co-founder Reed Hastings who donates only to Democrats and Democratic PACs, and supports things like stopping climate change. Netflix itself donates overwhelmingly to Democrats and democratic PACs, including Pete Buttigieg and Hillary Clinton.

## Brand Visibility Risk



Netflix, as a media company, has extremely high media exposure; their brand is widely seen and is a household name. Subscribers have been shown to respond to boycotts. More serious news could really impact them.



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