Corporate Climate Policy Footprint Methodology Document

Introduction
This document overviews the key elements of InfluenceMap’s Corporate Climate Policy Footprint methodology. The climate policy footprint assessment is derived from InfluenceMap’s ongoing analysis and ranking of the world’s largest corporations and their industry associations on climate policy engagement, combined with additional indicators to judge the relative economic size (and hence political power) of the company. Companies included in this analysis are drawn from InfluenceMap’s LobbyMap platform and database, which includes assessments of over 400 of the largest industrial companies globally, as measured by the Forbes 2000 list.

Assessing corporate climate policy engagement
Full details of InfluenceMap’s methodology are provided on the page linked here. Listed below are some of its key features and resulting outputs.

◼ InfluenceMap’s system adheres to key features of sound corporate assessment metrics: objectivity, transparency, ease of comprehension and use, and includes like-for-like comparisons across and within sectors.

◼ InfluenceMap defines "policy engagement" based on the UN Guide for Responsible Corporate Engagement in Climate Policy (2013), which defines a range of corporate activities as engagement, such as advertising, social media, public relations, sponsoring of research, and direct contact with regulators and elected officials.

◼ InfluenceMap relies on a range of data sources that are publicly accessible and are reliable representations of corporate policy engagement. These include organizational websites, senior management statements, regulatory consultation comments, financial disclosures, and reliable media reporting.

◼ InfluenceMap’s system does not judge climate policy itself, but instead measures corporate positions against Paris Agreement-aligned benchmarks of government policy, and Science-Based Policy (SBP) benchmarks based on analysis of IPCC statements.

◼ InfluenceMap also analyses ‘indirect’ company engagement with climate change policy through third-party groups such as industry associations. To do this, InfluenceMap assesses a database of around 200 industry associations globally that are actively engaged in climate policy debates in a directly comparable manner to the company assessments. InfluenceMap system then tracks and assesses the strength of the relationships between companies and these industry associations.
InfluenceMap’s core metrics

InfluenceMap’s company assessments are, therefore, based on the collection of hundreds of individually scored items of evidence of a company’s climate policy engagement positions. These assessments are updated continuously as new information becomes available and communicated publicly on InfluenceMap’s platform. They include the following key metrics.

- **Performance Band (A+ to F) / Total Score (0 to 100)** is a full measure of a company’s climate policy engagement, accounting for both its own engagement and that of its industry associations. There are 16 Performance Bands from A+ (representing a total score from 95-100%) through to E- (a score of 25-30%), with scores below 25% falling in the red “F” band. Grades from A+ to B (i.e. above 75%) indicate broad support for Paris-aligned climate policy, with grades from D to F (i.e. below 50%) indicating increasingly obstructive climate policy engagement.

- **Organization Score (0 to 100)** is a measure of how supportive or obstructive the company’s direct engagement is with regards to climate policy aligned with the Paris Agreement, with 0 being fully opposed and 100 being fully supportive.

- **Relationship Score (0 to 100)** is a measure of how supportive or obstructive the company’s industry associations are towards climate policy aligned with the Paris Agreement, with 0 being fully opposed and 100 being fully supportive.

- **Engagement Intensity (0 to 100)** is a measure of the level of policy engagement by the company, whether positive or negative, with scores above 12 indicating active engagement.

These metrics provide a clear picture of an entity’s positions towards climate policy, whether these are Paris-aligned, and the extent to which they are being strategically advocated for. Further details about InfluenceMap’s metrics can be found [here](#). However, these metrics do not give a full understanding of a company’s or industry association’s impact on climate policy, which requires further analysis of that entity’s ability to influence policy development, as discussed below.

The Corporate Climate Policy Footprint

The graph below maps out the corporate climate policy landscape, plotting the Organization Score and Engagement Intensity of each company covered by InfluenceMap’s platform. A company with a **low** Organization Score and a **high** Engagement Intensity is actively opposing climate policy and can be found in the **upper left** of the quadrant chart below. Similarly, the companies in the **upper right** quadrant clearly see the business case for more ambitious climate policy and are positive, active advocates. The companies in the lower quadrants are in between these extremes.
While the above mapping shows the corporate landscape on climate policy lobbying, investors and other stakeholders increasing want to identify the specific companies which, in absolute terms, are most influential in opposing climate policy. To achieve this, an additional factor needs to be added to the analysis:

- **The Political Influence Ranking** of a company is a measure of its power over policy and public discourse relative to other companies (on all policy matters, not just climate and energy).

The corporate sector’s ability to fulfil governments’ need for business buy-in for their policy proposals is a key source of leverage that can be used to shape the policy in question. It follows that larger companies have greater leverage and influence relative to smaller companies. A measure of economic size, therefore, is proposed as a proxy to measure corporate policy-influencing power. To quantify this, four financial metrics (total revenue, profits, market capitalization and assets owned) are merged into a ranking similar to that encapsulated by the annual Forbes 2000 list of public companies.

The Climate Policy Footprint (or Scope 4 impact to illustrate it needs to be considered alongside physical Scope 1,2,3 emissions impact) is designed to run from -100 (highly and negatively influencing climate policy) to +100 (highly and positively influencing climate policy) and allows investors and other stakeholders to focus efforts on the few companies having the largest absolute impact globally. It should be noted that the analysis

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presented in this metric and report relates only to influence over climate-related policy. It does not assess a corporation's influence over other policy areas.

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\text{Climate Policy Footprint} = \text{Total Score} \times \text{Engagement Intensity} \times \text{Political Influence Ranking}
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**Industry Association Climate Policy Footprint**

The use of third-party groups such as industry associations is a critical component to most corporate policy engagement strategies. It is incorporated into InfluenceMap’s Corporate Climate Policy Footprint analysis, detailed above, through an assessment of each company’s links with industry associations actively engaging on climate policy.

The key metrics from InfluenceMap’s system to measure industry association climate policy lobbying are:

- The **Organization Score** expresses how supportive or obstructive the industry group is towards climate policy aligned with the Paris Agreement, based on assessment of numerous disclosure channels over various climate sub-issues, each weighted accordingly for importance.

- The **Engagement Intensity** expresses the intensity of this activity, whether positive or negative.

The graph below plots these metrics for each of the industry associations currently covered under InfluenceMap’s system. A comparison against the same plot for companies (see p. 7 of this report) show a stronger trend towards industry associations with low Total Organization Scores and a high Engagement Intensities, indicating active opposition to Paris-aligned climate policy. In contrast, the right segment of the graph (indicating support for ambitious climate policy) is sparsely populated.
To understand which are the most influential industry associations from a global climate change perspective, two additional factors are considered.

- **The Relative Ranking** of an industry group is an estimation of the power the group has in its jurisdiction (e.g. the US, the EU, Japan, international level). This is assessed with reference to the size of the group and the size and importance of the companies or sectors it is mandated to speak for. It is arrived at by surveying and aggregating the opinions of hundreds of businesspeople, policy makers and civil society groups familiar with the jurisdiction and political influence.

- **The Jurisdiction Weighting** is a factor included to account for the size of the economy, contribution to global greenhouse gas emissions and exported fossil fuels of the jurisdiction the industry group operates in. Using the Climate Action Tracker ratings, this factor also considers how positive or negative the industry group’s lobbying is relative to the climate ambition of the jurisdiction in which it operates. For example, a negative trade association operating in a jurisdiction with weak climate policy may score lower than a similarly negative trade association operating in a jurisdiction with strong climate policy.

These four metrics are combined to create a new metric, the Climate Policy Footprint for industry groups defined as a measure of the relative impact an industry group is having on climate policy in a global context.
This metric is designed to run from -100 (highly and negatively influencing climate policy) to +100 (highly and positively influencing climate policy). The section below details the industry associations within InfluenceMap’s system that exhibit the largest, negative climate policy footprint.