Uncovering Corporate Influence over Climate Change

Corporate influence of the climate change debate and policy process has at many levels been cited as a key reason for the relatively slow progress of both the UN COP process and national-level climate legislation.\(^1\) InfluenceMap.org, a new UK based NGO, addresses an important piece of this controversial issue. We have forensically evaluated the 100 leading, publicly traded companies along with 30 trade associations and have scored them according to the extent to which they are exerting this influence, using a methodology developed with US-based Union of Concerned Scientists. Our full ranking is now publicly available online. Here are some findings and analysis of what our scoring means for business.

More than lobbying

We use the term "influence" rather than lobbying for good reason. The capture of climate change policy by corporations extends beyond formal and financial interactions between lawmakers and corporations and their representatives. Since the 1990s corporations have invested heavily in messaging (advertising, PR, social media, etc.) to ensure their views on climate science and the appropriate policy response are heard loudly at multiple levels. Corporations try to ensure they are continuously engaging at all levels of the policy making process - from providing engineering expertise on matters technical, to CEO phone-calls to political leaders at key policy moments. All of these activities constitute corporate influence and we attempt to objectively assess as much as possible in our analysis. See here for examples of users of our data.

Trade associations at the center

The role of trade associations and other influencers in controlling climate policy has been studied, by among others our collaborators USC in the US and our advisor Ben Fagan-Watson in the EU. The same rigorous method InfluenceMap uses on the analysis of corporations is applied to the leading trade associations they are affiliated with. In the US, the lowest scoring influencers in our system are ALEC and the American Petroleum Institute, closely followed by NAM and the US Chamber of Commerce. In Europe, powerful trade federation BusinessEurope and industry-specific trade groups CEFIC (chemicals) and ACEA (automotive) score poorly. Japan's powerful Keidanren openly opposes most climate regulations, suggesting industry can lead the way on its own terms. All of these

\(^1\) See comments: President Obama, Christiana Figueres and Ban Ki Moon.
organizations, and more, have consistently undermined climate regulations over the last
decade in ever-subtle ways, increasingly arguing for a global treaty that maintains
competitiveness while obstructing many of the key regulatory details needed to enforce it.
Our system also assesses corporate links to these associations that results in a "relationship
score" for each company along side its own score. In most cases these relationships greatly
reduce the final performance band the corporation ends up in, in the system.

So who tops our rankings?
We should note that no companies scored above the B performance band. Unilever
received the highest organizational score at 94%, which indicates strong and proactive
support for low-carbon policies and regulations. However, its membership of trade
associations that have opposed climate change regulations (such as CEFIC) places it in a
lower performance band than its organizational score would suggest. Tech giants Google
and Cisco Systems make up our current top three in terms of overall score (our scores
change in real time as new information becomes available). Google has been particularly
vocal about the need for positive legislative action on renewables, for example in its
message to the EPA in 2014. It is not surprising to those following the corporate capture of
climate policy that a trio of US energy companies bring up the rear in the survey. In last
place is Koch Industries who make little attempt to hide their policy influencing behavior.
Koch is directly preceded by Duke Energy and Phillips 66 - all three score lower that 25%
placing them in the "F" performance band.

Who leads each industrial sector?
As a low carbon regulatory regime will affect sectors in different ways, our scoring is perhaps
best looked at within a by-sector context. Various sectors and individual companies will
have differing motivations for obstructing (or supporting) climate legislation, but it may be
argued that the degree of support (i.e. the InfluenceMap score) is an indication of the
corporation's readiness for quicker and stronger climate change regulations. In the
automotive sector the InfluenceMap leaders are Nissan and Honda. Perhaps not
coincidentally Nissan leads the globe in numbers of electric vehicles sold and US EPA data
shows Honda sold the most energy efficient cars of the major makers in its largest market,
the US. German makers BMW and Daimler perform less well on our survey and also lag in
CO2 emissions performance in their home EU markets. A detailed report by CDP of the
chemicals sector and readiness for a low carbon economy utilizes InfluenceMap data to
assess competitive issues and climate change within this sector, with Du Pont leading in
both the CDP analysis and in InfluenceMap scoring.
**Detailed sector analysis to come**

In the coming months InfluenceMap will roll out detailed reports (with specialized partners like Transport Environment and Sandbag) analyzing our scoring and implications for competitiveness for key sectors. Here are some current sector leaders, with brief comments.

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<th>Sector</th>
<th>Sector Leaders and Comments</th>
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<td>Automotive</td>
<td>The leaders are the Japanese due of Nissan and Honda. Nissan stands out as ranking second in our system and perhaps not coincidentally, second in both the EU and US EPA metrics on fleet emissions. The company's outspoken CEO Carlos Ghosn has messaged his support for stronger GHG emissions standards as well as policy support for electric vehicle infrastructure, both of which could help his company's position as the global leader in electric vehicles.</td>
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<td>Consumer Staples</td>
<td>The leaders in this sector are Unilever, Nestle and Coca Cola. Unilever scores higher than any other corporation in our survey with an Organizational Score of 95%! Our study of Unilever's CEO messaging, legislative consultations and official disclosures shows strong support for a UN treaty, a robust price on carbon and progressive reform of the EU Emissions Trading Scheme. Nestle displays similar traits although to a slightly lesser extent.</td>
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<td>Utilities</td>
<td>The three leading companies are National Grid, Iberdrola and EDF. Iberdrola in particular voice strong support for a 2 degrees-based UN treaty backed up with support for a robust EU Emissions Trading Scheme and early introduction of a Market Stability Reserve to allow for long-term renewable energy investment.</td>
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<td>Industrials</td>
<td>The two leaders in this sector are ABB and United Technologies. ABB's CEO messaging on low carbon policy and the company has demonstrated support for energy efficiency targets in Europe. United Technologies likewise has shown support at the US Congressional level for energy efficiency standards in the US. The business interests of both companies are clearly intertwined with the increased adoption of energy efficiency technology.</td>
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<td>Information Technology</td>
<td>The Silicon Valley trio of Google, Cisco and Apple lead this powerful sector. All relatively young companies, they less deep relationships with trade associations who may oppose climate regulation and relatively few legacy connections with the high carbon economy. A key area of policy engagement for Apple and Google and others is support of a regulatory framework to facilitate renewable energy proliferation.</td>
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<td>Energy</td>
<td>Of the thirteen energy companies (all fossil fuel based) in our survey the top ranked are ENI, Shell and Total. As might be expected the sector performs far worse than any other, with the companies demonstrating a complex array of engagements with various strands of climate change regulations. The trio of US companies Chevron, Exxon Mobil and Phillips 66 lag in this sector with Koch Industries scoring last of any company on our list with an Organizational Score of 13%.</td>
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Full details of our results and the organizations we analysed and scored can be found at InfluenceMap.org. Please address enquiries initially Dylan Tanner.