InfluenceMap

Our Methodology

Corporate capture of the climate change debate and policy process at many levels has been cited as a key reason for the relatively slow progress of both the UN COP process and national-level legislative and fiscal interventions (President Obama, Christiana Figueres and Ban Ki Moon).   InfluenceMap addresses an important piece of this controversial corporate influence issue by objectively analysing and scoring the extent to which the world's largest corporations and their agents may potentially be exerting this influence. Here we provide a full description of InfluenceMap's methodology for scoring corporations, as well as a glossary for key terminology employed in our analysis.

We selected the top 100 of the Forbes Global 2000 not including state owned enterprises (e.g. Sinopec) and financial companies. Effectively, an analysis of a state-owned enterprise's influence over its own national legislation is not straightforward, hence our omission for the time being. Financial firms take up 40% by number of the top 100 and resource limitations mean we have not prioritised these in our initial selection. In addition, InfluenceMap included an analysis of external influencers, i.e. a selection of the most powerful organizations representing corporations around the world (excluding climate-focused organizations to avoid preferential selection).

Glossary

- **Corporate Influence**: We recognise that corporations are manifestly involved in the progress of policy and legislation formation (in all areas, not only climate change) affecting their business and they regard the need to do this as part of their operating model. Research has indicated that this influence likely extends beyond the activities normally associated with the word "lobbying" (e.g. donations to clearly motivated political actors) and includes the domination of the public discourse on climate change science and policy via their hugely powerful and funded messaging tools (e.g. advertising, PR, social media, access to influential meetings) as well as the use of influencers like trade associations and advocacy groups. Therefore a full

understanding of climate influence likely needs to analyse funding, messaging, direct involvement in the consultation process, both by the corporations themselves and their agents. Further details of what we regard as corporate influence can be found here.

- **Climate Policy and Legislation:** A process of global, regional and national consensus building, policy formulation and legislation/fiscal measures on climate change has been underway for the last two decades and is on-going. In our assessment of corporate influence, we consider the process from consensus forming on climate science to legislative interventions at various levels and take this process to be climate change policy. We consider regulations/laws and guidelines as well as fiscal interventions such as carbon taxes and continuation of subsidisation of coal, for example. Importantly, we consider amendments to mainstream regulations and fiscal policy motivated by or affecting climate change. See here for our informal database of major climate policies and regulations in the EU, US and Japan.

- **Corporations and their Influencers:** In our scoring we distinguish between corporations and the agents they employ to influence on their behalf (e.g. trade bodies, business forums, think tanks). But our scoring methodology is applied consistently to both the corporations and the influencers. Our system computes an organizational score for each company, based on their direct influence, and a relationship score, linked to their affiliations with indirect influencers and the activities of said influencers. Both scores contribute to their overall rating and the performance band in which they fall.

- **Potential Influence vs. Actual Impact**: We stress here that our methodology does not claim to measure actual corporate influence over the climate change policy process. Such an assertion would need to involve vastly more cause-and-effect substantiation, which we do not attempt. Rather we assess and score corporations on a variety of activities that respected authorities (e.g. the UN's Caring for Climate) have asserted are highly likely to influence policy. On this site when we use the term "corporate influence" it should be regarded in this context.

- **Potential Influence vs. Performance:** We note importantly that the InfluenceMap performance band is a measure of the influence the organization has on climate policy. It does not say anything directly about the actual performance of the organization on climate related issues, such as CO_2 emissions or use of various energy sources.

Data Sources

We apply set criteria for our selection of data sources. Firstly, we aim to ensure as much comparable data as possible across organizations to allow for fair scoring. Secondly, we draw evidence from credible sources (direct company disclosures or respected third party sources). We do not assess data without a credible source (a time-dated web page or a respected media source). Below is a set of criteria that applies to our interrogation of data sources, aimed at providing an objective and consistent method for all organizations.

1. If a particular query does not apply to a data source (e.g. transparency queries do not apply to external data sources), or if data is unavailable for a particular corporation (e.g. lack of disclosure to CDP or in legislative consultations), we mark the weighting cell with **NA** (not applicable), and the weighting is set to zero. The data cell's original weighting is redistributed evenly through other data points for this query.

2. If no evidence is available (after conducting research) for a particular cell, it is marked **NS** (not scored), with the same impact on the matrix as **NA**. Therefore, each organization has its own specific weighting matrix that depends on data availability and relevance for that specific organization. This means that a company will not be impacted by its lack of involvement in policies that do not affect it activities, but it will be more accurately assessed for relevant policies.

3. Our interrogation of each data source is conducted in a consistent manner for every organization (e.g. using the same terms to search through a set list of data sources, spending a similar amount of time on each organization).

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4. We look at data originating from the last two years, prioritizing more recent evidence. However, older evidence is referred to if it appears that a position has been taken (e.g. a stance on climate science) which remains consistent and unchanged over longer time period. It may also be used to build a chronological sequence of pieces of evidence to demonstrate InfluenceMap's conclusion on a specific topic.

5. The English version of an organization's corporate website is searched using consistent search terms (e.g. "carbon tax"). In the case where an English language data source is unavailable, we make best use of our team's linguistic ability in translating the data source. Otherwise, we mark the relevant data cells as **NS** (not scored) if our team is unable to interpret the data source.

The following table summarizes our data sources.

Our Data Sources

Type	Data Source	Code	Comments
Organization's Promotional Information	Organization Web Sites	D1	Main organization website, affiliated websites and major publications (sustainability report, annual report, etc.)
	Other Organizational Messaging	D2	Media and other websites controlled (or funded) by the organization, social media (Twitter), direct advertising campaigns, press releases, and initiatives to which the organization has signed up
Voluntary Disclosures via Third Parties	CDP Responses	D3	Assessment and scoring of CDP political influence questions (Q2.3)
Disclosures to Governmental Channels	Legislative Consultation	D4	Legislative Consultation documents from government sources such as US Government and the European Commission and other governments of other key regions e.g. Australia and Japan.

	Financial Disclosures	D7	We search 10-K and 20-F SEC filings where available, and non US equivalents where not, earnings comments via Edgar Online and Fair Disclosure Wire.
	EU Transparency Register	D8	Information provided by to the voluntary EU Transparency Register.
External Data (Press, respected Web Sites etc.)	External Reports on the Organization	D5	Web searches (the organization's name AND relevant query search terms) in reputable news sources, supported by targeted searches in proprietary databases (LexisNexis)
	External Reports on CEO Messaging	D6	Web searches (CEO's name AND relevant query search terms) in reputable news sources, supported by targeted searches in proprietary databases (LexisNexis)

Assessment

We break down the process of climate change policy and legislation into categories, as outlined here. We reason that the formulation of climate change policy commences with scientific research that then enters the policy arena, leading to the implementation of legislation, standards and fiscal measures.   Specifically the IPCC's findings on climate science moved into its general statement of the urgency for human intervention on climate change, now promoted by the UNFCCC in its push for a global treaty. In parallel, many legislative and fiscal interventions are in place or are being proposed at various levels of government. We reason corporations have been interacting with policymakers at all levels and stages of the policy formulation process, using various methods to exert influence (messaging, funding, consultations etc.). Our queries cover all of these stages and are divided into two main categories, of transparency and performance.

- **Transparency (T)** queries examine the availability of an organization's position on an issue and the accessibility of this information. In the case of corporations, we are searching for their own disclosure on the use of agents or external influencers in the

policy arena (e.g. trade associations, advocacy groups, PR agencies). For trade associations, in addition to the organization's position on a given issue, we are also concerned with disclosure on the roles corporations hold within the organization (e.g. general membership, board membership).

- **Performance (P)** queries assess the content of an organization's position on a given issue, relative to the positions expected from the governing body. We also examine any evidence (e.g. from **external data** sources) that demonstrates an organization's engagement on a particular policy issue. We cannot rely on an organization's public messaging to fully assess their actual performance, so for these queries we rely strongly on **disclosure to governments** and **external data** sources.

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We have a series of twelve queries that we apply across all data sources, constructing a matrix of queries (Q1...Q12) against data sources (D1...D8) for each organization (corporation or influencer). We summarise our set of queries in the table below and note we rely for guidance on accepted organizations such as the UNFCCC and the IPCC to formulate our logic.

Our Queries

Issue Categories	Queries	Code	Comments
Climate Science: Acceptance of the IPCC position on climate change science	T: Does the organization provide a transparent position supporting the science of climate change?	Q1	
	P: Is the organization supporting the IPCC demanded response to tackling climate change?	Q2	This can be either positive or negative support
Global Treaty: With regards to the UN FCCC COP process	T: Does the organization provide a transparent position on a global treaty on climate change through the UNFCCC COP process?	Q3	
	P: Is the organization supporting a global treaty on climate change through the UNFCCC COP process?	Q4	
Climate Change Policy and Legislation: Position on strands of climate related legislation and policy. See our brief database of	T: Is the organization transparent about their positions on, and engagement with, climate change policy and relevant policymakers?	Q5	Q5 can refer to a broader range of climate

climate related regulations around the world.			change policy then covered in Q6-Q11
	P: Is the organization supporting policy and legislative measures to address climate change through a carbon tax?	Q6	
	P: Is the organisation supporting policy and legislative measures to address climate change through emissions trading.	Q7	
	P: Is the organisation supporting policy and legislative measures to address climate change through energy efficiency standards and targets	Q8	
	P: Is the organisation supporting policy and legislative measures to address climate change through renewable energy targets, subsidies and legislation	Q9	
	P: Is the organization supporting policy and legislative measures to address climate change through energy policy and measures to transition to a low-carbon energy mix?	Q10	We refer to IPCC positions on renewables, coal, oil, gas and nuclear power
	P: Is the organisation supporting policy and legislative measures to address climate change through GHG emission standards and targets	Q11	
Disclosure on Relationships	T: Are corporations being transparent about their business associations and other sources of indirect influence which may impact the climate debate and policy process/ Are trade associations being transparent about the positions corporations hold within their organization?	Q12	Corporate transparency as recommended by the UN Caring for Climate (2013)

We can now construct a matrix of queries (Q1...Q12) against data sources (D1....D8) for each organization (corporation or influencer).   A generic matrix for a particular entity might look as follows (we have skipped out for brevity the intermediate Qs and Ds, indicated by .....). The % (a%, b%, c%...z%) values are the relative weightings we assign to each query/data cell relative to the overall organizational score. While we have a generic

weighting matrix applying to all sectors, certain sectors (e.g. automotive, chemicals, energy, utilities) will have a sector specific weighting matrix emphasizing its legislative priorities (e.g. the automotive sector will be weighted more for its influence over GHG emissions standards than energy policy). The weightings are devised from InfluenceMap's independent research and in consultation with our advisors and external experts.

Generic Weighting Matrix

Query/ DataSource	D1	D2	D3	....	D8	
Q1	a%	b%	c%	....	v%	sub total %
Q2	d%	e%	f%	....	x%	sub total %
Q3	g%	h%	NA	....	y%	sub total %
....	....	....	....	....	....	....
Q12	j%	k%	l%	....	z%	sub total %
	sub total %	sub total %	sub total %	....	sub total %	Total 100%

If a particular query does not apply to a data source (e.g. **transparency queries** do not apply to **external data** sources), or if data is unavailable for a particular corporation (e.g. lack of disclosure to CDP or in legislative consultations), we mark the weighting cell with **NA** (not applicable) and the weighting is set to zero. The data cell's original weighting is redistributed evenly through other data points for this query. The matrix will automatically recalibrate to distribute the default weighting equally through the query's row, so the row's total weighting is always 100%. In the case that all data sources are **NA** for a particular query, the weightings are reallocated evenly between the remaining cells in the matrix. Likewise, if no evidence is available (after conducting research) for a particular cell, it is marked **NS** (not scored), with the same impact on the weightings as **NA**. So each organization has its own specific matrix depending on data availability and relevance.

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Scoring

The matrix of data source/query cells presents an opportunity for a maximum of 96 (i.e. 12 x 8) scoring opportunities per organization, but in practice this will be less due to the **NA** - (not applicable) cells for a particular organization's matrix. We record five possible outcomes with scores ranging from (-2) to (+2) (-2; -1; 0; 1; 2) depending on an organization's transparency around particular regulations, their expression of support (or non-support), and the corresponding strength of their engagement with this regulation. Our team also has the option to record a **red cell** or a **blue cell**. A red cell can be recorded for an incidence of extreme negative influence on climate policy, not fully expressed through our 5-point scale. A blue cell may be awarded for a notable act of positive influence, not clearly expressed through the scale. The red cells and blue cells present an opportunity to highlight qualitative information that does not fit easily into our quantitative scoring system. The following provides some examples to illustrate this process.

Examples of our Scores

Scoring	Details	Examples of Scores for Some Queries
Quantitative Scoring (-2 to 2 points)	Points taken away (-2, -1)	Q2: Evidence of opposition to urgent action (as recommended by the IPCC) to address climate change would score (-2) Q5: Have disclosed very few details about how they may, or may not, be influencing climate change policy (-1) Q7: Support emissions trading with major exceptions, advocating for conditions that exceed the sum of the support (-1) Q9: Evidence of legal action against feed-in tariffs for renewable energy would score (-2)
	Points neither taken or given (0)	Q6: Evidence suggests clear engagement with carbon tax policy, although it is unclear whether their intervention is supportive or obstructive (0) Q9: Evidence of support for renewable energy legislation with exceptions (i.e. supporting a policy under condition that policy reviews occur annually) would score (0) Q12: Have disclosed a full list of trade associations memberships, although have not provided any details of the policy positions of the trade associations or how they may be engaging with them (0)
	Points given (2,1)	Q2: Evidence of support for GHG emissions reductions with time-scales in line with IPCC recommendations would score (+2) Q9: Statement of support for renewable energy legislation would score (+1) Q11: Have taken action (such as sending a letter to a policymaker) in support of GHG emissions standards (+2)

Qualitative Scoring (optional)	Red Cell	Evidence of direct funding to an obstructive climate change related initiative; evidence of activity directly obstructing the legislative process
	Blue Cell	Evidence of organization taking exceptional initiative to support a specific climate policy or legislative process.

InfluenceMap provides scoring guidelines for each query/data cell to guide our team as to the precise meaning of the scores (-2; -1; 0; 1; 2) in the specific context of each data cell. We have also provided templates for inputting evidence to ensure our data is internally consistent.

In the case below the total score adds up to 71 (the sum of all the points). Let us assume that the matrix above has three cells with ^NA. The largest possible number of points is ((12 x 8) -3) x 2 = 186, thus the nominal organizational score is 38%, assuming all cells are equally weighted. In practice they are not and the organisational score will be a weighted average of the scores in the cells. The organization also has one red cell and one blue cell, the details of which will be clearly displayed in its profile page.

Example of an ORganization's Scoring Matrix

Query/ DataSource	D1	D2	D3	....	D8	Sub Totals
Q1	1	1	-1	....	-1	2
Q2	0	2	NA	....	NA	5
Q3	-2	NS	NA	....	2	3
....	....	....	....	....	....	....

Q12	0	-1	0	....	1	4
Sub Totals	8	4	6	....	4	**71**

For each incidence of scoring in the cells of the matrix, we provide justification in the form of a brief text explanation, supported by dated screenshots of the URLs from which we draw evidence (or scans for non-web data). This is clearly visible by clicking on a particular cell in the matrix. As well as its organizational score, the final rating for a corporation will be impacted by the **relationships** (R1, R2, R3, etc.) it holds with external agents exerting influence over climate policy, such as trade associations, chambers of commerce and think tanks. Therefore, in addition to its organizational score, a corporation will have a **relationship score** which we define as a reflection back onto the corporation on the influence exerted by its influencers.

The influencers will themselves have organizational scores, computed in exactly the same manner as for the corporations. These can be labelled O1, O2, O3, etc., also expressed as a percentage. We must also account for the nature of a corporation's relationship with an influencer, which we document using text and URL references, assigning a strength (S1, S2, S3, etc.) to the relationship (1 = a weak relationship, 10 = a strong relationship).   For example a trade association may have 2000 member corporations with 10 of them on its executive committee.   The 10 executive committee members would have strength of 8 compared to 3 for the regular members, for example. Our team is provided with guidelines on how to rate the strength of a range of relationships.

We define the **relative weighting** (RW1, RW2, RW2, etc.) as a metric of the level of influence exerted by the influencer with which the corporation holds a relationship, compared to those of other influencers in the global policy arena. We rate these levels of influence against each other on a scale of 1 to 10 (with 10 being very important as an influencer of

climate policy). So now we can compute the relationship score with these various metrics in mind.

Example of Relationship Scoring for a Corporation

Relationships (R1, R2....Ri)	Organizational Score of Influencer (O1, O2,...Oi)	Strength of Relationship (S1, S2....Si)	Relative Weighting of Influencer (RW1, RW2...RWi)	Sub Totals
R1	50%	4	9	5%
R2	10%	3	10	1%
R3	40%	9	8	36%
R4	90%	5	9	45%
R5	40%	4	5	16%
R6	50%	1	10	5%
Sub Totals	205%			108%
Normalized Relationship Score				**48%**

So in this case, based on six relationships in our database, the corporation in question has a **relationship score** of 48% (with 100% being the maximum possible positive score and 0% the worst). We use the following formula for this computation (where Σi indicates a summation over i).

$$\text{Relationship Score} \quad = \quad \frac{\sum_i S_i \times RW_i \times O_i}{\sum_i S_i \times RW_i}$$

We use both the relationship score and the organizational score to compute an **overall rating** for a corporation as an overall measure of its influence on climate policy. To compute this overall rating we apply the following simple method.

Overall Rating = (Organizational Score x (1-W)) + (Relationship Score x W)

Here the factor **W** is the relationship weighting and is a value between 0 and 1. It determines the relative impact the relationship score has on the corporation's overall rating. We compute this using an algorithm that incorporates both the values of Si and RWi for the corporation and also the number of relationships Ri. For example, we do not wish a small sample of relationships to unduly impact the ^overall ^rating for a corporation.

We stress here that influencing organizations will only have organizational scores under our methodology. Corporations will have organizational scores and relationship scores as noted above, which when combined provide the **overall rating** that places the corporation in one of 20 **performance bands** (95-100% = A+; 90-95% = A, 85-90% = A- ....25-30% = E-, with scores below 25% collectively as "F"). Corporations within sectors can be compared against each other by viewing which performance band they fall into, with full breakdown of evidence data easily visible. Influencers can similarly be compared to each other by contrasting their organizational scores.