CEOs outplayed on climate lobbying

*New pro-climate advocacy from CEOs undermined by obstructive industry associations*

A growing rift has emerged between key groups representing the voice of business on climate policy, according to new analysis by InfluenceMap.

It shows that while groups advocating on behalf of corporate executives (CEO groups) have become more positive about climate action since the Paris Agreement, industry associations that represent the CEOs’ companies are continuing to lobby against specific policies aimed at delivering the necessary change.

This is a trend being observed in major economies across the globe.

Furthermore, the analysis shows that these broader business groups are engaging much more actively on climate than CEO groups.

The analysis focused on the three largest cross-sector business groups in the US, Europe, and Japan: The US Chamber of Commerce, BusinessEurope, and the Japan Business Federation (Keidanren).

Their policy positions and engagement intensity were compared with three CEO groups in the same regions: Business Roundtable, European Round Table for Industry (ERT), and the Japan Association of Corporate Executives (Keizai Doyukai).

The analysis shows:

- The three industry associations engaged more than twice as intensively on climate policy compared with the three CEO groups.
- The CEO groups have undertaken a noticeable shift in stance on climate policy since the Paris Agreement, and now support top-line climate ambition and some specific policies.
- The industry associations remain largely opposed to effective climate policy. They have adopted a strategy of supporting top-line climate ambition but lobbying against specific decarbonization policies.

Given the power of the three industry associations referenced in this analysis, they hold significant influence over the policies required to meet the goals of the Paris Agreement. However, all three continue to block key steps on the pathway to meet those goals.

"Despite the CEO groups and industry associations representing similar corporate memberships, there appears to be a striking disconnect between the two when it comes to climate policy," said InfluenceMap’s EU Strategy Manager, Will Aitchison.

"The more positive positions being taken by corporate leaders are not being reflected in the cross-sector industry associations their companies are members of.

"This places an onus on CEOs to address this misalignment within their companies through enhanced governance processes, including board-level responsibility for climate lobbying."

For example, Microsoft remains a member of the US Chamber of Commerce, which continues to obstruct policies designed to meet the Paris Agreement. However, the company’s CEO Satya Nadella is a member of Business Roundtable, which has taken a more positive approach.

InfluenceMap’s U.S. Program Manager Kendra Haven said: “The U.S. Chamber of Commerce and Business Roundtable have both adopted positive top-line climate positions. Yet the Chamber continues to exercise negative influence over some of the most significant climate debates in the country, while Business Roundtable appears mostly unengaged. That’s a problem for advancing U.S. climate action.”

Similarly in Europe, Siemens remains a member of BusinessEurope, which is conducting a sophisticated lobbying effort to disrupt the EU Green Deal. However, Siemens’ CEO Jim Snabe is a member of ERT, which has adopted a significantly more supportive stance to climate policy.

The analysis also raises questions about the internal governance processes within these cross-sector industry associations and the extent to which their climate policy positions accurately reflect their diverse membership.

CEOs Challenge Industry Associations on Climate Policy is available for download here.

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About InfluenceMap
InfluenceMap is a London-based think tank providing data driven analysis to investors, corporations and the media on issues related to energy and climate change. Our metrics for measuring corporate influence over climate policy
are in use by investors, including the global Climate Action 100+ investor engagement process. Our content has been covered widely in global media and is used by campaign groups.