

**InfluenceMap**

# Corporate Carbon Policy Footprint 2019

The 50 Most Influential Assessed

*October 2019*

# Corporate Carbon Policy Footprint

**An assessment of the 50 most influential companies  
impacting climate policy globally**

October 2019

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# Executive Summary

- InfluenceMap’s 2017 [Corporate Carbon Policy Footprint](#) quantified corporate impact on the global climate policy agenda. The research was in response to the growing recognition that a corporation’s influence over policy and regulations may have a far more profound impact on climate change than physical emissions associated with operations, suppliers & products. [Further research](#) from InfluenceMap in 2019 has, citing a New York School of Law study<sup>1</sup>, demonstrated the dramatic impact of corporate-led deregulation on US greenhouse gas emissions for example.
- The 2017 research identified 50 of the most influential companies on climate policy globally, showing the majority (35 companies) were negative (led by US utility Southern Company, ExxonMobil and Chevron) and only 15 were positive. Despite the call for urgent government policy intervention in the IPCC’s 2018 Global Warming of 1.5°C report, as of 2019, this trend remains largely in place with currently 33 of the most influential corporations opposing climate policy, led by Chevron, ExxonMobil and BP. Accordingly, the world has made little progress on meaningful climate policy since 2017 – indeed, many regions like the U.S. have moved in the opposite direction.
- The 2019 results show that most of the world's largest corporations are not strategically engaged with climate policy, clustered around the *Carbon Policy Footprint Score*=0 mark in the graph on page 9 of this report. These include many (e.g. in the retail, tech and healthcare sectors) with strong climate goals for their own companies. Many of these corporations (UPS, Pfizer, Microsoft, Coca Cola) also remain funders of some of the most oppositional and influential trade groups opposing climate policy, such as the U.S. Chamber of Commerce. This may effectively undermine any positive impact the companies might have in their own climate policy engagement.
- The analysis, drawn from a universe of the world's 250 largest industrial companies,<sup>2</sup> combines metrics representing (a) corporate climate policy positions (b) its level of engagement (lobbying) and (c) a company's economic and political clout, into a *Carbon Policy Footprint Score*. This score ranges from -100 (highly influential and climate-oppositional) to + 100 (highly influential and climate-positive).
- Of the 50 most influential companies who score negatively, the oil/gas sector continues to dominate the list, led by ExxonMobil, Chevron and BP. In March 2019 InfluenceMap released “[Big Oil’s Real Agenda on Climate Change](#),” which found that these three companies along with Shell and Total are spending hundreds of millions of dollars each year on sophisticated messaging

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<sup>1</sup> Climate & Health Showdown in the Courts, State Attorneys General Prepare to Fight, The State Energy & Impact Centre, NYU Law School, March 2019

<sup>2</sup> As determined by Forbes 2000 ranking of global corporations

strategies to capture the public narrative on climate. At the same time, they are also lobbying to control, delay or block climate regulations globally.

- Automotive companies also feature prominently in the list of negative influencers, led by Fiat Chrysler, Daimler and BMW. This is the result of a strategy to control and delay the regulatory agenda on vehicle emissions and electric vehicles (EVs). This may now hinder their ability to adapt quickly to any acceleration of emissions and EV rules with a sudden shift in climate politics globally (e.g. in the US following the 2020 elections). Tesla remains the only auto company in the list of 50 who is supportive of climate policy, perhaps not surprisingly given its EV-based business model.
- The analysis found lobbying from companies within the coal value-chain to be highly impactful, although in isolated regions globally. US utility Southern Company has continued to throw its weight behind the fight to remove and replace stringent Obama-era greenhouse gas emission standards for the US power sector in 2017-2019. Glencore has been highly impactful in steering Australia and South Asia towards coal-based energy policy.
- Economically powerful tech companies Microsoft, Facebook and Google remain outside of the list of the 50 most influential. They have not translated their climate-positive messaging into strategic, consistent policy engagement. InfluenceMap analysis continues to show that many strategically influential and positive corporations on climate policy are European, which is likely contributing to a modest but important positive trajectory on climate policy in the region. These consist of utilities pushing for renewables policy (Iberdrola, Enel) and industrials like Royal DSM and Phillips. Unilever, which has maintained a consistent effort to support a range of climate policy related to the energy system, is ranked the most influential positive company. US tech giants Apple and Tesla also feature amongst the most influential positive lobbyists on climate change.

# How Companies Impact Climate Policy

## A Company's Physical Carbon Footprint

Systems have evolved over the last two decades to try to measure the impact a company has on climate change. These have been driven by investors (e.g. the CDP process), regulators (e.g. the EPA's Greenhouse Gas Inventory) and corporations themselves.<sup>3</sup> Recognizing that direct greenhouse gas (GHG) emissions from a company's facilities may be an incomplete picture, indirect emissions - for example, due to products sold - are also considered. For example, "scope 3" emissions are included in the Greenhouse Gas Protocol, a collaboration between the World Business Council for Sustainable Development and the World Resources Institute, initiated in 1998 to provide guidance to companies on measurement and reporting on emissions.

Category of emissions and definition	Where category may be dominant in the physical carbon footprint
<b>Scope 1 emissions:</b> Direct GHG emissions occur from sources that are owned or controlled by the company.	Utilities, cement, fertilizers
<b>Scope 2 emissions:</b> Indirect GHG emissions from the generation of purchased electricity consumed by the company.	Chemicals, steel, aluminum, data centers
<b>Scope 3 emissions:</b> All other indirect emissions (e.g. use of products and services sold).	Coal mining, automotive, retail, oil and gas

While the Greenhouse Gas Protocol advises that the measurement and reporting of Scope 1 and 2 is mandatory, Scope 3 is an optional reporting category and allows for broad and often subjective interpretation of what emissions a company is responsible for. More recently, a focus has been on climate risk inherent in corporate operations and business models, leading to detailed guidance from the Carbon Standards Disclosure Board<sup>4</sup> and the mainstream Financial Stability Board<sup>5</sup>. Both boards recommend corporations understand forward-looking climate risk, which, depending on the sector, would likely involve a full analysis of Scope 1,2 and 3 emissions, both in absolute terms and relative to peers.

<sup>3</sup> A summary of carbon footprint initiatives - Corporate Greenhouse Gas Emission Reporting, Kauffmann et al, 2012, OECD Publishing

<sup>4</sup> CDSB Climate Change Reporting Framework, 2012: <http://www.cdsb.net/what-we-do/reporting-frameworks/climate-change>

<sup>5</sup> Task Force on Climate-related Financial Disclosures: <https://www.fsb-tcfd.org/>

## The Importance of Political Impact

In 2014, Richard Heede produced a ground-breaking study on the impact of corporations on climate change since the Industrial Revolution<sup>6</sup>, tracing, quantifying, and attributing the greenhouse-gas emissions that have occurred due to the operations of the largest fossil fuel and cement producers.

It is sometimes claimed in response to this study that companies are simply responding to demand for their products and that society should be held accountable, not companies. This, however, does not account for the way fossil fuel value chain companies have undertaken a decades-long, systematic effort to maintain the demand for GHG emission intense products through political influencing activities. For example, investigations have shown the extent to which ExxonMobil and other oil majors used climate denial and other obstruction techniques to steer the US away from action on climate change from the late twentieth century. Indeed, a 2017 study by Harvard researchers concluded that ExxonMobil had misled the public on climate since 1977.<sup>7</sup>

A 2011 paper from Harvard Business School researchers<sup>8</sup> argues that a broad measure of scope 1, 2 and even Scope 3 emissions from a company could present an incomplete picture of the impact it has on climate change. It noted the awarding of an AAA rating on climate change by financial information firm, MSCI, to News Corp, while the media company's Chairman, Rupert Murdoch, was cited by [Rolling Stone magazine](#) as "#1 in its list of Politicians and Execs Blocking Progress on Global Warming." In a more recent example, BP has been noted for its [voluntary commitments](#) to reduce methane emissions from its operations but has [participated](#) in a recent successful lobby to remove or weaken regulatory mandates on methane in the U.S. The sector-wide impact of the subsequent regulatory changes will lead to an estimated 76 MN tons of lost CO<sub>2</sub>e emission reductions each year by 2025<sup>9</sup>. In 2019, a paper from Kyle C. Meng and Ashwin Rode<sup>10</sup> calculated that lobbying on the U.S. Waxman-Markey Bill in 2009 has so far resulted in \$60 billion in climate costs to society. In 2019, InfluenceMap's "[Trade Groups and their Carbon Footprints](#)" report showed the corporate-lobbying contribution to U.S. climate policy rollbacks, placing the U.S. on a pathway consistent with 4°C+ warming globally, according to think tank Climate Action Tracker.

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<sup>6</sup> Tracing anthropogenic carbon dioxide and methane emissions to fossil fuel and cement producers, 1854–2010  
Heede, R, *Climatic Change*, 2014, 122: 229

<sup>7</sup> Assessing ExxonMobil's climate change communications, G Supran & N Oreskes, *Environmental Research Letters*, August 2017

<sup>8</sup> What Environmental Ratings Miss, Auden Schendler and Mike Toffel, October 2011

<sup>9</sup> Climate & Health Showdown in the Courts, State Attorneys General Prepare to Fight, *The State Energy & Impact Centre*, NYU Law School, March 2019

<sup>10</sup> The social cost of lobbying over climate policy, Meng, K. & Rode, A, *Nature Climate Change* volume 9, pages 472–476, 2019

## How to Measure Climate Policy Influence

In 2015, UK think tank InfluenceMap launched the first effort to quantitatively score companies based on their influence over climate policy. The scope of this influencing was based on the UN-backed Guide to Responsible Corporate Engagement with Climate Policy, published in 2013.<sup>11</sup> The assessment methodology was devised to achieve an objective and comparable score, based on numerous data points and thus show a pattern of behavior for each company and trade association covered. This latter point was key, as previous analysis on this topic did not allow for like-for-like comparisons of companies across and within sectors - something that is crucial for investors to act systematically.

In the analysis so far, over 100,000 pieces of evidence on 250 global companies and 75 leading trade associations have been assessed in a consistent manner and are archived on our website. The evidence consists mostly of direct disclosures from the companies themselves or from their trade associations. It includes inputs into regulatory consultations, comments on policy in financial filings, transcripts of CEO and senior management speeches/comments in various contexts, as well as objective news reporting from legitimate media outlets. These are all measured in an objective manner against benchmarks of climate-related policy and science positions originating from bodies like the IPCC, European Commission's DG Clima and the California Air Resources Board, whose mandate calls for them to devise policy solutions to achieve targeted greenhouse gas emissions reductions. The result is a systematic and publicly available assessment of over 250 of the largest listed industrial companies globally.<sup>12</sup> The analysis is based on current activity and attempts to measure forward-looking company behavior towards the climate policy agenda.<sup>13</sup>

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<sup>11</sup> This Guide has evolved into something that many companies commit to under the We Mean Business process

<sup>12</sup> As assessed by the Forbes 2000 list of global corporations excluding financial and state-owned entities from 2015-2019

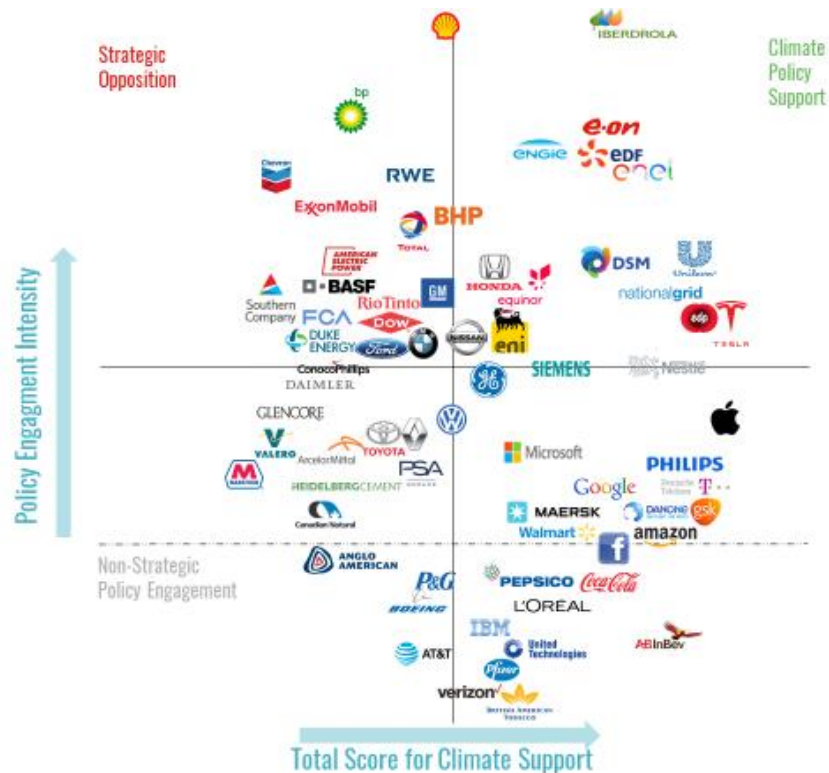
<sup>13</sup> Evidence and data from non-current years has lower weighting in the scoring than more recent data

# The Carbon Policy Footprint

InfluenceMap's analysis of corporate climate policy influence produces two metrics:

- The **Total Score** expresses how supportive or obstructive the company is towards climate policy aligned with the Paris Agreement, incorporating an analysis of its trade association links.
- The **Engagement Intensity** expresses the intensity of this activity, whether positive or negative.

A company with a *low* Total 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. Since 2015, InfluenceMap has tracked a tendency within the corporate sector to communicate top-line support for action on climate change and the Paris Agreement. However, with notable exceptions such as the European utility sector, this has not been followed up with strategic or consistent advocacy campaigns to support the implementation of Paris-aligned regulation in national policy frameworks. This accounts for the relatively sparse population of the upper right quadrant, and the clustering in the bottom right and center of the diagram. Despite top-line rhetoric, large companies in fossil fuel value chain have largely maintained strategic lobbying campaigns that are deeply antagonistic to urgent action on climate change in-line with the IPCC science.





While the above mapping shows clearly the corporate landscape on climate policy lobbying, investors and other stakeholders increasingly want to identify the specific companies who, 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).

Much corporate influencing activity is not transparently disclosed. This makes assessing the effectiveness of any company’s lobbying difficult as key tactics are hidden from public oversight. Academic research suggests that the ability of companies and industry to fulfil politicians and policymakers need for business buy-in for their policy proposals is a key source of leverage that might be used to shape the policy in question.<sup>14</sup> 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 Forbes 2000 list of public companies, published annually. While fossil fuel value chain companies remain well represented, the upper echelons of this Political Influence Ranking have shifted towards technology companies in recent years. The top 10 non-financial companies are in order: Apple, Royal Dutch Shell, ExxonMobil, AT&T, Samsung Electronics, Toyota Motor, Microsoft, Alphabet, Volkswagen Group, Chevron.

These metrics are now combined to create a new metric, the Carbon Policy Footprint, defined as a *measure of the relative impact a publicly listed company is having on climate policy next to its peers.*



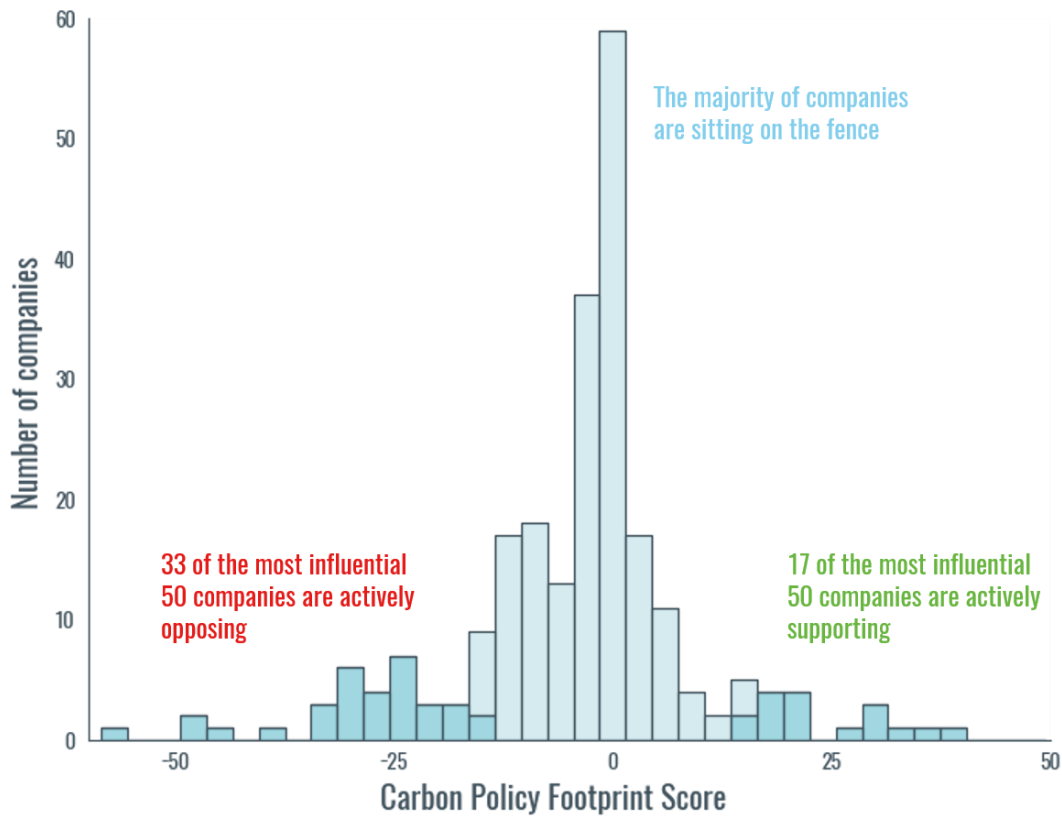
This metric is designed to run from -100 (highly and negatively influencing climate policy) to + 100 (highly and positively influencing climate policy) and allow investors and other stakeholders to focus efforts on the few companies having the largest absolute impact globally. It should be noted that the analysis 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.

<sup>14</sup> Lobbying in the European Union: Interest Groups, Lobbying Coalitions, and Policy Change, Heuke Klüver, Oxford Scholarship Online, 2013

# The 50 Most Influential Corporations

The companies covered in this analysis represent 250 of the largest industrial and energy companies based on the Forbes 2000 list. While there is a trend for corporates to communicate positive, top-line climate positions, many of the worlds' most politically influential companies (e.g. from retail, healthcare, financial, telecommunications, services and media) are not strategically engaged on climate change policy. Another group of potentially influential companies advocate a mix of positive and negative climate positions across a range of policy issues, mitigating a strong overall impact on climate policy either way. These two groups account for a greatly swollen middle ground, with many powerful companies still effectively sitting on the fence on meaningful and urgent climate change policy.

The negative group represents a range of increasingly entrenched fossil fuel value chain interests, which have ramped up efforts to slowing or blocking climate regulatory reform as their own business models fall increasingly behind accelerating political ambitions on climate.



## The 50 Most Influential

Numerical scores of -100 (opposing) to + 100 (fully supportive) are given in the ranking table on the next page.

2019 Carbon Policy Footprint	Company
38	Unilever
35	Enel
33	Iberdrola
31	Apple
31	Tesla
30	EDP
27	Nestle
22	Philips
21	National Grid
20	GlaxoSmithKline
20	E.ON
19	EnBW
18	Amazon
17	Deutsche Telekom
17	Royal DSM
16	EDF
16	Danone
-16	Devon Energy
-16	Gazprom
-18	Nucor Corporation
-19	Suncor Energy
-19	HeidelbergCement
-20	Canadian Natural Resources



Increasing support  
for Paris Aligned  
Climate Policy



Increasing opposition  
to Paris Aligned  
Climate Policy

-20	Solvay
-21	General Motors
-23	Toyota Motor
-24	Occidental Petroleum
-24	Ford Motor
-24	BHP
-24	BMW Group
-25	ArcelorMittal
-25	Total
-26	Dow Chemical
-27	RWE
-28	Valero Energy
-28	Daimler
-29	ConocoPhillips
-29	Fiat Chrysler Automobiles
-30	Royal Dutch Shell
-31	Rio Tinto Group
-31	Berkshire Hathaway
-31	Marathon Petroleum
-32	Duke Energy
-33	Glencore International
-33	American Electric Power
-38	BASF
-44	Southern Company
-47	BP
-48	ExxonMobil
-58	Chevron