InfluenceMap

Corporate Climate Policy Footprint

The 50 Most Influential Companies and Industry Associations Blocking Climate Policy Action Globally.

November 2021

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Table of Contents

Executive Summary

- InfluenceMap's 2021 Climate Policy Footprint report identifies the world's most obstructive corporate and industry association holding back Paris Agreement-aligned climate policy. The research highlights the fact that a corporation's influence over policy and regulations may have a far more profound impact on climate change than the physical emissions associated with its operations, suppliers and products (Scope 1,2 & 3 emissions impact). InfluenceMap terms this as "Scope 4 impact" to illustrate that systemic policy influencing by companies needs to be considered alongside physical emissions when evaluating a company and climate change.

- The top five most negatively influential global companies on Paris-aligned climate policy are in order: **ExxonMobil, Chevron, Toyota, Southern Company** and **Sempra**, the North American energy infrastructure company headquartered in California. The top five most negatively influential industry associations are the **American Petroleum Institute**, the **American Fuel & Petrochemical Manufacturers,** the **US Chamber of Commerce,** the **National Mining Association** (US) and **BusinessEurope.**

- The analysis responds to growing interest in understanding the true impact of companies on climate change, as investors, regulators and civil society seek to unblock much-needed progress on climate at the United Nations Framework Convention on Climate Change (UNFCCC)'s COP26 in November 2021. InfluenceMap's rankings include analysis of each entity's climate policy positions, the intensity of their policy engagement, and their absolute economic and political clout. The computations and coverage are global[1], with weightings to recognize regions that are the most significant in terms of their economies and total GHG emissions.

- InfluenceMap's platform covers over 350 of the largest industrial companies globally. US oil companies lead the list of the most negative and influential companies on climate globally, with **ExxonMobil** and **Chevron** first and second, and **ConocoPhillips** (7th), **Phillips 66** (12th), **Valero Energy** (13th) and **Occidental Petroleum** (22nd) all in the top 25. The results reflect intense resistance by the sector to the Biden Administration's efforts to transition the US economy away from fossil fuels.

- **Toyota Motor** has campaigned against proposed regulations globally to phase out internal combustion engines in favor of electric vehicles in 2020-21 and ranks 3rd on InfluenceMap's list of global companies most negatively influencing Paris-aligned climate policy. It is joined by **BMW** (18th), **Daimler** (24th) and

[1] *InfluenceMap platform is global but focuses on regions where the largest industrial companies globally are active, and where there are strong enough transparency mechanisms to accurately measure a company's climate policy influence. Key regions covered by the analysis include the US, Europe, Japan, South Korea, Australia, Canada, and South Africa. InfluenceMap is working to capture climate policy influence in China, India, and South American countries such as Brazil, where transparency and data issues currently limit the methodology.*

Hyundai (25th) from the automotive sector, which as a group is highly negative on stringent climate regulation on the automotive sector.

- **Glencore** (8th) is one of the few companies in the top 25 whose climate policy footprint is predominantly associated with direct advocacy in favor of thermal coal. The analysis likely reflects a shift in influence from coal towards gas, with an uptick of companies increasingly focusing on natural gas in their lobbying activities. This includes companies actively lobbying for natural gas in Europe such as **BP (9th)**, **OMV (10th)** and **Gazprom (17th)**. It also includes fossil fuel-focused utilities such as **Southern Company** (4th), **American Electric Power** (11th) and **Duke Energy** (15th), as well as **Sempra** (5th).

- InfluenceMap's platform also assesses over 150 industry associations engaging on climate change policy globally. Again, US lobbyists dominate the list of the 25 most obstructive associations globally, with 4 of the top 5 groups coming from this region. Oil and gas groups **American Petroleum Institute** and **American Fuel & Petrochemical Manufacturers** are ranked the first and second most negative and influential industry associations respectively. In total, 13 of the 25 most obstructive industry associations globally directly represent fossil energy sectors, including the **Canadian Association of Petroleum Producers** (7th), the **Australian Petroleum Producers & Exploration Association** (12th) and **Minerals Council of Australia** (13th), the **Western States Petroleum Association** (14th) and **FuelsEurope (18th)**. The findings represent an intense battle playing out globally, as governments respond to the increasing scientific consensus on fossil fuel phase-out following reports such as the Intergovernmental Panel on Climate Change's 2018 *Report on 1.5C warming* or the IEA's *2021 Net-Zero by 2050* analysis.

- However, the analysis also highlights the role of highly powerful cross-sector business federations that continue to pose a significant blockage for global climate action. The **US Chamber of Commerce** (3rd), **BusinessEurope** (5th), the **California Chamber of Commerce** (8th), the **Federation of German Industries** (9th), the **National Association of Manufacturers** (16th), the **Japanese Business Federation** (17th), and the **Federation of Korean Industries** (22nd) all feature amongst the top 25 industry groups with the largest, negative policy footprints globally.

- This is despite growing support for climate policy ambition across the broader economy. The report follows InfluenceMap's *October 2021 A-list report*, covering the most influential and positive companies driving meaningful and Paris-aligned climate policy, including major brand companies such as **Unilever, Nestlé**, **IKEA** and **Tesla**, as well as renewables-focused utilities **Iberdrola, Enel, Ørsted** and **Edison International.** The analysis also identified a range of additional 'potential' A-list companies that represent a growing hope that the wider corporate sector will begin to rally behind governments and help facilitate the policy frameworks urgently required to deliver the Paris Agreement's goals of limiting warming to well below 2°C and towards 1.5°C . However, as the *United Nations Environmental Programme's 2021 Emissions Gap Report* clearly highlights, such policy is not yet in place and, when combined, policy plans globally are only on track to limit global temperature rise to 2.7°C by the end of the century.

- As such, ongoing opposition to climate policy ambition from vested corporate and industry interests has caused significant headwinds for the UN processes to deliver on these goals, by frustrating efforts to ramp up Nationally Determined Contributions (NDCs). In this context, the report overviews how regulators in key economies including US, Japan and South Korea have struggled to implement policy to substantiate their climate commitments. Other regions like fossil-exporting Australia, where the influence of the fossil fuel industry on climate politics is *well documented*, is *understood* to likely play a blocking role at the 2021 COP26 climate negotiations in Glasgow.

Measuring Corporate Climate Impact

Over the last two decades, efforts to address corporate impact on climate change have accompanied a demand for increasingly holistic information on the issue. Various systems have evolved to meet this demand. The Greenhouse Gas Protocol, a joint initiative between the *World Resources Institute* and the *World Business Council for Sustainable Development* (WBCSD) launched in 1998, released its Corporate Accounting and Reporting Standard in 2001, which covered a company's direct emission sources (Scope 1) and emissions from the generation of electricity it purchased (Scope 2). Recognizing that this offered a limited picture, attempts to measure indirect emissions - for example, due to products sold – have become increasingly prevalent, with "Scope 3" emissions first included in the Greenhouse Gas Protocol in 2014.

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

Investor-focused initiatives (e.g., CDP) have also played a role in further broadening the scope of information disclosed by the corporate sector on climate. In 2015, the Basel-based Financial Stability Board, established in 2009 following the global financial crisis, introduced the Taskforce on Climate-Related Financial Disclosures (TCFD) to push for corporate climate disclosures that are of greater use to the finance sector. The TCFD seeks disclosures for "Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions". It also seeks a range of other forms of forward-looking information covering a company's climate-related governance processes, risk management, and strategy.

Financial regulators are subsequently taking up this baton, following a growing recognition that mandatory frameworks are needed to ensure companies meaningfully disclose against these criteria. TCFD recommendations have been included in the regulatory frameworks in regions including Singapore, Canada, Japan and South Africa, with the UK also announcing plans in 2020 to move towards mandatory disclosures across the economy by 2025. Notable steps to improve understanding of corporate climate impact are being considered in the European Union and the US:

- The US Securities and Exchange Commission (SEC) Chair, Gary Gensler, has *indicated* that the US will draw from frameworks like the TCFD's when proposing new rules on climate disclosure, and that *these will*

include quantitative disclosure of GHG emissions as well as qualitative disclosures concerning governance and strategy. In September 2021, the *SEC released a sample letter* overviewing the sorts of issues that companies will need to consider. These included business impacts from developments in federal and state legislation, regulation, and climate accords.

- In April 2021, the European Commission adopted a proposal for a Corporate Sustainability Reporting Directive, which would introduce mandatory reporting standards. The draft standards are being developed by the *European Financial Reporting Advisory Group (EFRAG)* and will cover a company's targets, due diligence, and risk management processes on climate change, including details concerning a company's plans to ensure its business strategy is compatible with limiting warming to 1.5°C. Details will also likely be required on corporate governance factors such as the company's political engagement on climate, including lobbying activities.

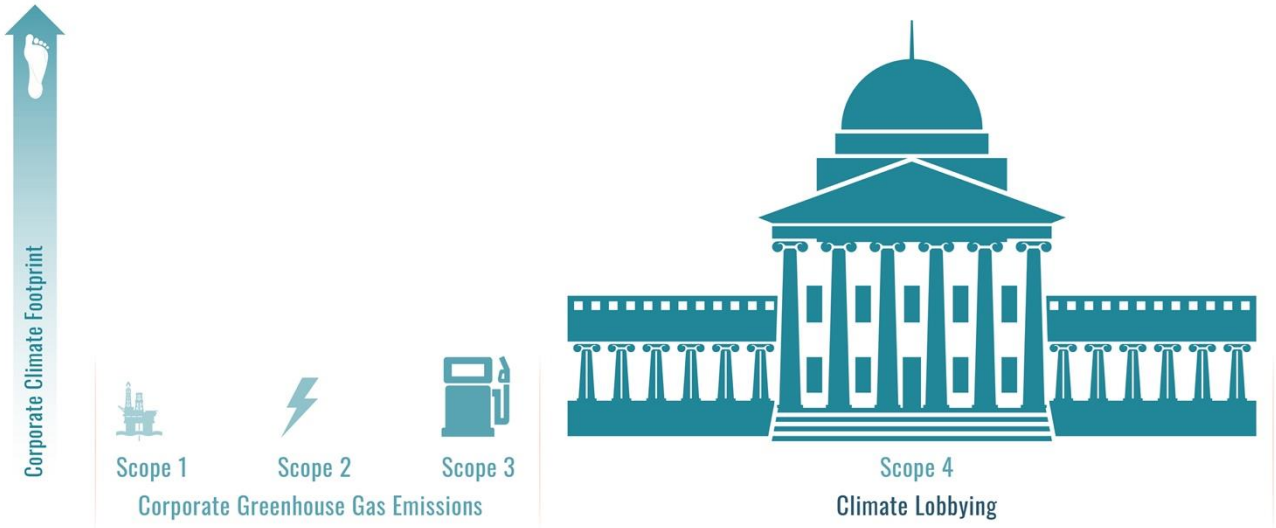
The Importance of Political Impact

The gap between scientific recommendations on climate change and government policy action is reiterated with increasing urgency by organizations including the UN's *Intergovernmental Panel on Climate Change* (IPCC) and *Environmental Programme* (UNEP), as well as the *International Energy Agency* (IEA). In August 2021, the IPCC published the first installment of its *Sixth Assessment Report* underscoring the world's trajectory toward warming greater than 1.5°C and issuing a 'code red' warning. Despite this, September 2021 *analysis* from the global consortium of scientists behind the Climate Action Tracker tool found that not a single major, global economy has put in climate policy frameworks that are inconsistent with the Paris Agreement's 1.5°C warming limit. Likewise, the *United Nations Environmental Programme's 2021 Emissions Gap Report* finds that, when combined, national climate policy plans globally are only on track to limit global temperature rise to 2.7°C by the end of the century.

Corporate and industry association policy engagement is key to understanding this lack of progress. InfluenceMap's analysis has shown that vested corporate interests, largely representing the fossil fuel value chain sectors, have fought to preserve business as usual policy frameworks via intensive and highly nuanced policy engagement activities, while also using extensive PR and advertising materials to 'greenwash' their real climate agendas. This has stymied global climate action, while voluntary disclosure frameworks have left stakeholders largely in the dark about which companies are responsible.

To shine light on this dynamic, InfluenceMap introduced the concept of *the Climate Policy Footprint* in 2017 to explain the impact that companies and their industry associations were having on climate change via their lobbying and messaging activities. Using the methodology set out in the chapters below, this analysis provided a further dimension to measuring corporate impact on climate; a 'Scope 4' emissions assessment identifying the most influential companies and industry associations on climate change policy.

As set out by the UNFCCC's scientific body, the *Intergovernmental Panel on Climate Change* (IPCC), robust policy and regulation is needed to address GHG emissions across economies in the short, medium, and long term, to successfully bring emissions to net-zero by 2050. The impact a company can have on climate by blocking the development of such regulatory frameworks can massively outweigh its direct impact, or the impact of its products. For example, efforts by industry lobbyists to block climate provisions in the US budget reconciliation package could cost the US nearly one billion tons of GHG emission reductions by 2030.[3]



Analysis of corporate lobbying behavior is a critical indicator of a company's forward-looking strategy and likely future physical impact on climate, along with the risks associated with this. While not yet included in mandatory disclosure regimes, such information is of increasing interest to investors. For example, the *Climate Action 100+ initiative*, which brings together over 600 investors with more than $60 trillion AUM to push the world's largest companies to align their business models with the goals of the Paris Agreement, includes indicators on climate lobbying as part of its *corporate net-zero benchmarking* tool.

[3] Pathways to Build Back Better: nearly a Gigaton on the Table in Congress, *September 2021*

How to Measure Climate Policy Influence

In 2015, InfluenceMap launched the first effort to quantitatively score companies based on their influence over climate policy. 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 industry 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 - a metric that is crucial for investors to act systematically.

This system has since grown into the world's leading platform on corporate climate policy influence, systematically measuring companies on their climate change policy engagement and covering over 350 companies and 150 industry associations, with more than 50,000 items of evidence captured, scored, and archived for public viewing on InfluenceMap's website. Key elements of InfluenceMap's methodology are overviewed below, with full details of the methodology *provided here.*

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", including advertising, social media, public relations, and direct contact with regulators and elected officials. Given that corporate lobbying disclosures generally exclude most of the activities covered in the UN Guide, providing a narrow view of a company's influence, InfluenceMap's *methodology* uses a range of data sources to capture the policy outcomes sought by companies.

While InfluenceMap's system is unable to capture **all** information on corporate lobbying due to disclosure and/or data limitations, there is sufficient data to generate behavioral metrics on climate policy positions and the intensity of the lobbying efforts. It is accepted that there are also a range of "unknown" lobbying activities underway and assumed that these are motivated by the same policy outcomes associated with the known activities, as in the "tip of the iceberg."[4] Full details of the methodology are provided in the page linked *here*. Listed below are some of its key features and resulting outputs:

[4] *The current scope of InfluenceMap's policy analysis is expansive, covering virtually all forms of climate policy impacting the energy, industrial, and other sectors. However, we do not yet cover land-use related policy, or climate-relevant policy designed to aid the transition to a circular economy. We are working to expand analysis into both these areas and intend to include them in future reports.*

- InfluenceMap's system considers existing, evolving, and likely future climate-related policy measures proposed by mandated bodies. "Mandated bodies" are defined here as various levels of government or government-authorized bodies responsible for or supporting efforts to implement Nationally Determined Contributions (NDCs) in their regions. InfluenceMap's system also captures high-level corporate communications that influence the broader public narrative concerning these policies (e.g., concerning the role of different low-carbon technologies).

- Each company's engagement activities on climate-related policy are assessed using publicly accessible data sources to gather reliable and representative evidence. These data sources include organizational website disclosures and social media channels, top management statements, financial disclosures and investor communications, regulatory consultation comments, and reliable media reporting.

- This research process can collect hundreds of items of evidence pertaining to a company's engagement with climate-related policy. This evidence is analyzed against Paris Agreement-aligned Governmental Policy and Science-Based Policy benchmarks (drawn from *IPCC analysis* of achieving 1.5°C aligned emission reductions) to provide a robust assessment of whether a company's climate policy engagement activities are aligned with the Paris Agreement's goals.

- InfluenceMap's system also considers a company's 'indirect' climate policy engagement via industry associations. InfluenceMap's database contains over 150 key industry groups globally, similarly scored on their climate policy engagement. The relationships between the companies and these industry associations are also tracked, enabling an aggregate analysis of each company's 'indirect' climate policy engagement via its industry associations.

- Metrics describing each company's overall climate policy engagement (direct and indirect) are produced by InfluenceMap's proprietary platform, with weightings to adjust for factors such as time (e.g., with more recent evidence heavily weighted in the final scores). InfluenceMap's system is updated continuously as new information becomes available. The results are freely available and in the public domain, along with all the primary evidence used in the analysis.

InfluenceMap's 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.

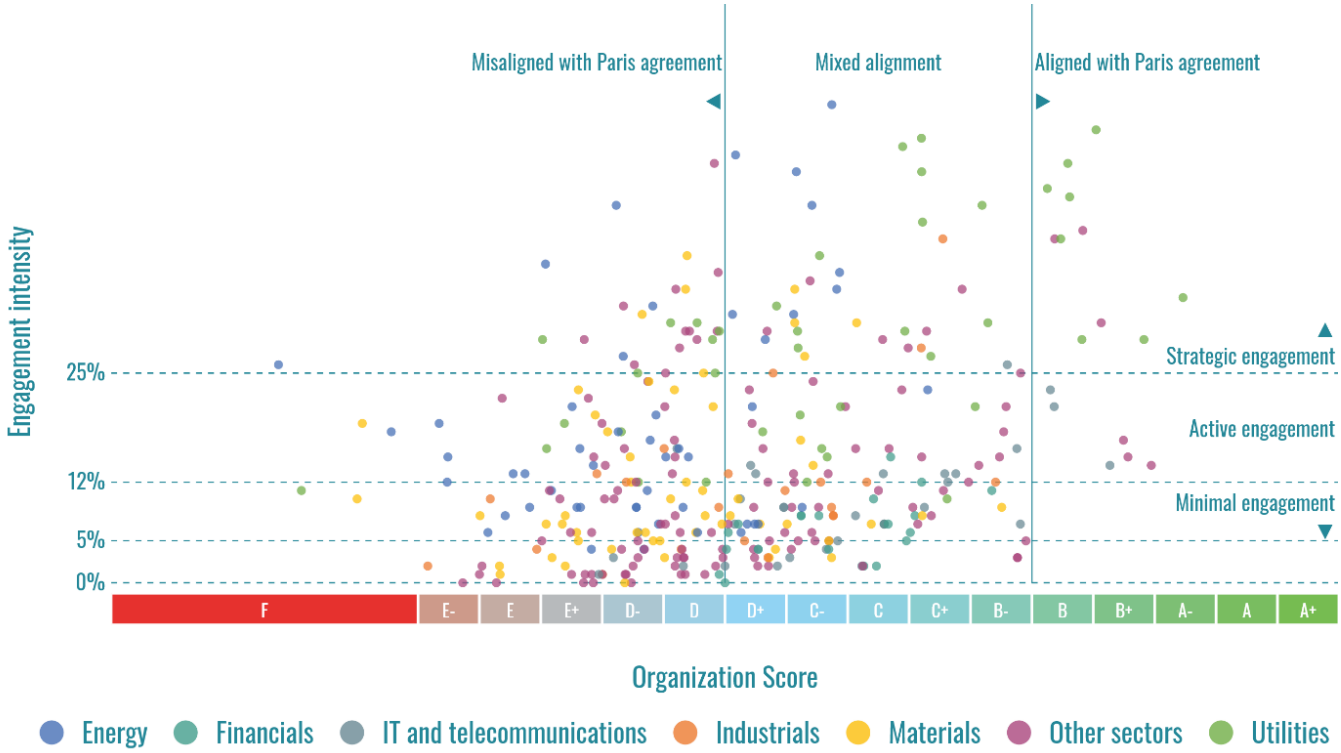
- **Relationship Score (0 to 100)** is a measure of how supportive or obstructive the company's industry associations are towards climate policy aligned with the Paris Agreement, with 0 being fully opposed and 100 being fully supportive.

- **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 in the following chapter.

The Concept of a 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.[5] It follows that larger companies have

[5] *Lobbying in the European Union: Interest Groups, Lobbying Coalitions, and Policy Change*, Heuke Klüver, Oxford Scholarship Online, 2013

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 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.

Climate Policy Footprint	=	Total Score	Engagement Intensity	Political Influence Ranking

The report focuses on the entities having the largest negative impact on climate change, but builds on InfluenceMap's *October 2021 A-list report* which identifies companies and industry associations that are actively fighting for ambitious climate policy, including major brand companies such as Unilever, Nestlé, IKEA and Tesla, as well as renewables-focused utilities Iberdrola, Enel, Ørsted and Edison International.

The collection of publicly available information on policy engagement activities identified in the UN *Guide for Responsible Corporate Engagement in Climate Policy* (2013) is central to the Climate Policy Footprint analysis. This analysis is unable to fully capture the policy footprint of companies using tactics that are hidden from public scrutiny which is significant for companies operating in regions with limited disclosure regimes, or that retain special relationships with governments, including where states have partial or majority ownership of the company. Further discussion of this point can be found in the following section.

InfluenceMap's platform covers 350 of the largest industrial companies with respect to climate globally. In the table below, the top 25 companies with the largest, negative climate policy footprint are listed. A further breakdown of this analysis can be found *in appendix B* of this report.

The 25 Most Negative and Influential Corporations

Rank	Name	Sector(s)	Headquarters	Climate Policy Footprint
1	*ExxonMobil*	Energy	United States	-66
2	*Chevron*	Energy	United States	-65
3	*Toyota Motor*	Automotive	Japan	-53
4	*Southern Company*	Utilities	United States	-51
5	*Sempra Energy*	Utilities	United States	-45
6	*BASF*	Chemicals	Germany	-39
7	*ConocoPhillips*	Energy	United States	-36
8	*Glencore International*	Materials	Switzerland	-32
9	*BP*	Energy	United Kingdom	-27
10	*OMV*	Energy	Austria	-25
11	*American Electric Power*	Utilities	United States	-24
12	*Phillips 66*	Energy	United States	-24
13	*Valero Energy*	Energy	United States	-24
14	*Rio Tinto Group*	Materials	United Kingdom	-24
15	*Duke Energy*	Utilities	United States	-24
16	*Berkshire Hathaway*	Industrials	United States	-23
17	*Gazprom*	Energy	Russia	-22
18	*BMW Group*	Automotive	Germany	-22
19	*BHP*	Materials	Australia	-21
20	*Air France-KLM*	Airlines	France	-21
21	*Enbridge*	Energy	Canada	-20
22	*Occidental Petroleum*	Energy	United States	-19
23	*TC Energy*	Energy	Canada	-19
24	*Daimler*	Automotive	Germany	-19
25	*Hyundai Motor*	Automotive	South Korea	-18

Key Trends

- US oil companies lead the list of the most negative and influential companies on climate globally, despite decreasing economic dominance in recent years, with **ExxonMobil** and **Chevron** first and second, and **ConocoPhillips** (7th), **Phillips 66** (12th), **Valero Energy** (13th) and **Occidental Petroleum** (22nd) all in the top 25. The results reflect intense resistance by the sector to the Biden Administration's efforts to transition the US economy away from fossil fuels.

- **Toyota Motor**, the 10th largest company globally according to the Forbes 2000, has campaigned against regulations to phase out internal combustion engines in favor of electric vehicles in 2020-21, and has risen in the list to place 3rd. It is joined by **BMW Group** (18th), **Daimler** (24th) and **Hyundai** (25th) from the automotive sector.

- **Glencore** (8th) is one of the few companies in the top 25 whose climate policy footprint is predominantly associated with direct advocacy in favor of thermal coal. The analysis likely reflects a shift in influence from coal towards gas, with an uptick of companies increasingly focusing on natural gas both in their business strategies and lobbying activities. This includes companies actively lobbying for natural gas in Europe such as **BP (9th)**, **OMV (10th)**, **Gazprom (17th)**, and German chemicals giant **BASF** (6th), via its energy subsidiary Wintershall De. It also includes fossil fuel-focused utilities such as **Southern Company** (4th), **American Electric Power** (11th) and **Duke Energy** (15th), as well as California-based electric and natural gas infrastructure group **Sempra** (5th).

State-Owned Companies

State-owned entities retain a different set of relationships with national governments than investor-owned companies. These relationships are commonly not subject to robust disclosure frameworks. As such, it is difficult to understand the influence of state-owned entities over a government's climate positioning, despite these companies being important stakeholders in the relevant policy development processes. InfluenceMap's platform covers several large, partially state-owned entities, including Gazprom, Saudi Aramco and Coal India. While the full spectrum of these entities' influencing activities cannot be assessed, enough evidence from their communications can be analysed to indicate that they hold policy positions that are likely misaligned from the Paris Agreement's goals on the future role of fossil fuels in the global energy mix. It is therefore likely that these entities have far greater climate policy footprints than can be detected through the InfluenceMap's analysis.

The Climate Policy Obstruction Playbook

InfluenceMap's analysis captures a range of engagement activities from the companies and industry associations assessed. This includes direct engagement with government officials (e.g., in meetings, or via written consultation process) on specific policy streams and regulations. It also includes a range of other messaging strategies, including PR and advertising, and thus helps shed light on the broader climate policy obstruction playbook.

These tactics have evolved significantly since the first UNFCCC climate negotiations in the mid-1990s, when the focus was to undermine mainstream trust in the fundamental science of climate change. The table below outlines the three broad, inter-related elements of the corporate playbook to disrupt science-based climate action. While many companies now outwardly accept climate science, much of the messaging within this influencing playbook remains deeply contradictory to the IPCC's analysis.

Technique	Description	Key Messaging themes/tactics
Direct Policy Engagement	Meetings and other forms of direct communication with lawmakers, politicians, and technical policy staff to disrupt policy process	■ Stress adverse impact of climate regulation to industry competitiveness and jobs ■ Push for 'technical-neutrality' and oppose phase-out of fossil fuels and related technologies ■ Promote unclarified 'market-based' response to climate, focus attention on role voluntary action from companies
Narrative Capture	High-level messaging strategies to influence the popular understanding of the energy mix and transition, side-lining science-based pathways	■ Emphasize the economic, social and geopolitical importance of fossil fuels and related technologies, including presenting them as clean or green. ■ Focus debate on technology breakthrough and promote pathways that risk back door fossil fuel lock in ■ Promote "all net, no zero" versions of net-zero targets, focus on offsets and reject need for near term regulations
PR / Greenwash	Advertising and PR campaigns to cleanse the company's image on climate and deflect scrutiny away from its underlying business strategy	■ High-level and long-term climate commitments, with limited details on near term implementation ■ Promotion of marginal, clean business ventures (misrepresenting overall business mode)

The 25 Most Negative and Influential Industry Associations

Industry Association 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. This section further examines the role of industry associations on climate policy and provides a list of the groups with the largest, most negative climate policy footprints.

Policy engagement via industry groups and business federations offer several key advantages to individual companies.

- It allows companies to pool resources and take advantage of well-resourced lobbying operations with specialist knowledge and proven tactical expertise in different regional, political, and legislative contexts. These tactics range from capturing the wider political narrative on climate, to technical and well-timed legal challenges to specific regulatory developments.

- It allows lobbyists to claim that their positions are representative of large parts of the economy, significantly strengthening arguments that highlight risks to "jobs and growth" to counter regulatory threats. In cross sector groups like the US Chamber and National Association of Manufacturers, there appears to be an unwritten rule among members to allow companies to push their chosen positions when their sector's key regulatory issues arise, often resulting in the adoption of the most regressive stances of the most active and at-risk members. The US Chamber's ensuing claims that these positions are representative of the entire membership presents a powerful lobbying tool for those companies

- It allows companies to maintain public distance from their most regressive policy positions, which they outsource to third-party groups. InfluenceMap's analysis has identified a strong trend of companies using nominally positive PR messaging to indicate support for climate action, while using industry groups to block regulations impacting their operations in the near term. This tactic has been highly effective for companies looking to prolong 'business as usual' while avoiding investor, regulator, and wider-public backlash. A particularly clear example of this was uncovered in July 2021, when ExxonMobil lobbyists were *secretly recorded* by investigative journalists explaining that the American Petroleum Institute is used by members as a 'whipping boy' to avoid public and congressional scrutiny.

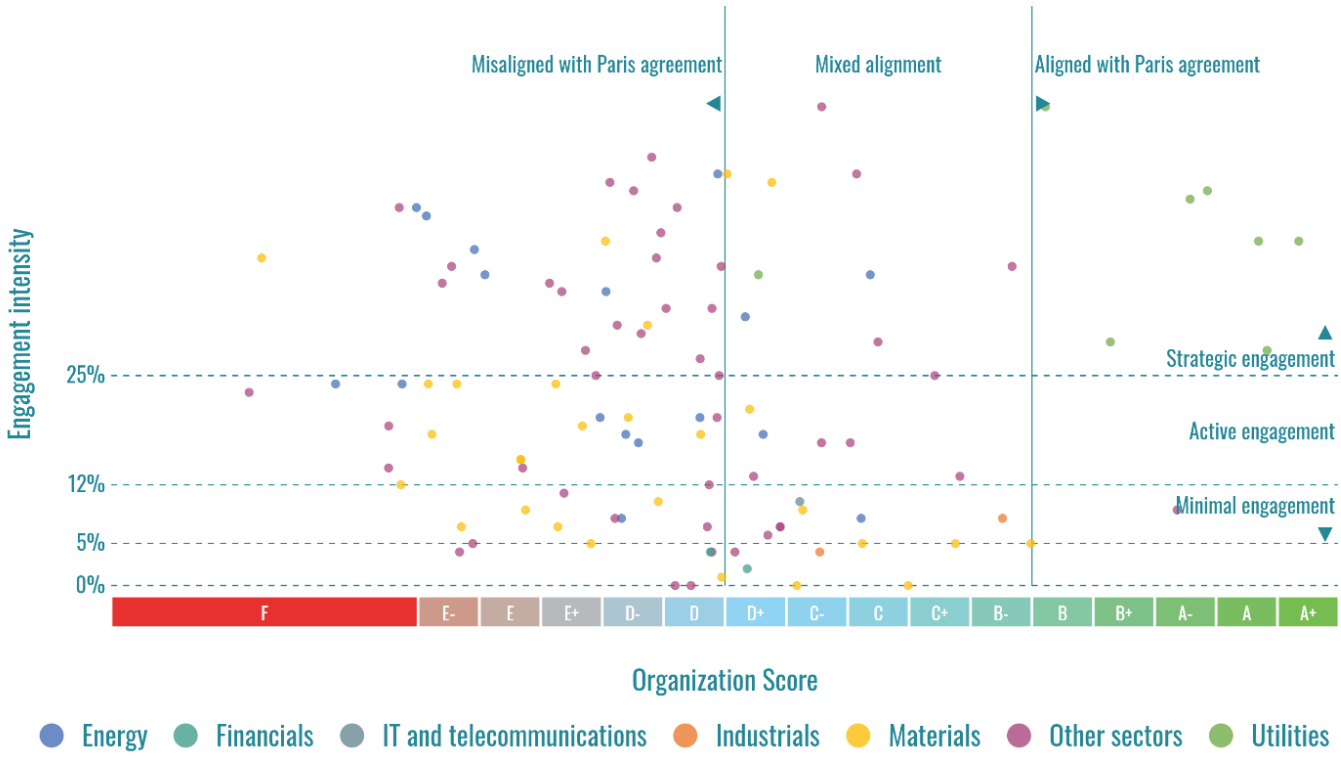
Indirect policy engagement via industry associations can also be deployed by companies in favor of Paris Agreement-aligned policy and regulations. InfluenceMap's *October 2021 A-list report* highlighted several industry groups that are having a positive impact on climate. Important examples include the UK's Confederation of British Industry and utility sector representative Eurelectric in Europe.

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*.

Climate Policy Footprint for industry groups	=	Climate Score	Engagement Intensity	Relative Ranking	Jurisdiction Weighting

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. InfluenceMap's *October 2021 A-list report* identifies industry association leaders actively supporting climate policy action.

InfluenceMap's platform tracks and scores over 150 industry groups worldwide, deemed to be both influential in general, and active in climate-related regulatory matters.[6] On the following page, the top 25 industry associations with the largest, most negative Climate Policy Footprint are listed. Online profiles for each industry association can be accessed via the hyperlinks in the table. These profiles include overviews of each entity's lobbying activities and full access to the primary evidence underlying the analysis.

[6] *InfluenceMap platform is global but focuses on regions where the largest industrial companies globally are active, and where there are strong enough transparency mechanisms to accurately measure a company's climate policy influence. Key regions covered by the analysis include the US, Europe, Japan, South Korea, Australia, Canada, and South Africa. InfluenceMap is working to capture climate policy influence in China, India, and South American countries such as Brazil, where transparency and data issues currently limit the methodology.*

The 25 Most Negative and Influential Industry Associations

Rank	Name	Sector(s)	Region	Climate Policy Footprint
1	*American Petroleum Institute*	Energy	United States	-95
2	*American Fuel & Petrochemical Manufacturers*	Energy	United States	-88
3	*US Chamber of Commerce*	All Sectors	United States	-83
4	*National Mining Association*	Materials	United States	-82
5	*BusinessEurope*	All Sectors	Europe	-73
6	*Canadian Association of Petroleum Producers*	Energy	Canada	-69
7	*German Automotive Association*	Automotive	Germany	-66
8	*California Chamber of Commerce*	All Sectors	United States	-63
9	*Federation of German Industries*	All Sectors	Germany	-59
10	*International Air Transport Association*	Airlines	Global	-54
11	*Consumer Energy Alliance*	Energy	United States	-53
12	*Australian Petroleum Production & Exploration Association*	Energy	Australia	-47
13	*Minerals Council of Australia (MCA)*	Materials	Australia	-46
14	*Western States Petroleum Association*	Energy	United States	-45
15	*America's Power*	Energy	United States	-45
16	*National Association of Manufacturers*	All Sectors	United States	-43
17	*Japan Business Federation (Keidanren)*	All Sectors	Japan	-43
18	*FuelsEurope*	Energy	Europe	-40
19	*Eurofer (European Steel Association)*	Materials	Europe	-39
20	*American Gas Association*	Energy	United States	-37
21	*World Coal Association*	Materials	Global	-31
22	*Federation of Korean Industries*	All Sectors	South Korea	-30
23	*NSW Minerals Council*	Materials	Australia	-29
24	*Airlines For Europe*	Airlines	Europe	-29
25	*Eurometaux*	Materials	Europe	-28

Key Trends

- US groups remain the strongest contingent of the list, with four of the top five industry associations with the largest negative policy footprint coming from this region. In total, 10 of the top 25 of the most negative and influential industry associations are based in the US. Oil and gas sector groups **American Petroleum Institute (API)** and **American Fuel & Petrochemical Manufacturers** (AFPM) are assessed to be the most obstructive groups on climate globally, followed closely by the **US Chamber of Commerce**.

- Over half (13 of the 25) of the most negative and influential industry associations globally directly represent fossil fuel energy sectors, with seven oil and gas groups, four coal-focused groups and the remaining two groups representing all fossil fuels more generally. The findings represent an intense battle playing out globally, as governments respond to the increasing scientific consensus on fossil fuel phase-out following reports such as the Intergovernmental Panel on Climate Change's 2018 *Report on 1.5C warming* or the IEA's *2021 Net-Zero by 2050* analysis.

- Two aviation sector associations, the **International Air Transport Association (10th)** and **Airlines for Europe (24th)** make the list following strategic opposition to the emergence regional climate regulations for the sector, particularly in Europe. European and German industry association representing heavy industry interests are also well represented, with five EU-focused groups and a further two representing German companies.

- Despite its relatively smaller economic size, Australia has three industry associations (the **Australian Petroleum Production & Exploration Association** (12th), the **Minerals Council of Australia** (13th) and **New South Wales Minerals Council** (23rd) representing oil, gas, and coal interests in the country, that make the most negative and influential industry associations on climate globally. Similarly, the **Canadian Association of Petroleum Producers** places 6th.

- The analysis highlights the ongoing role of powerful cross-sector business federations in these efforts. Despite claiming to represent the wider economy, InfluenceMap analysis shows many such groups remain highly oppositional to Paris-aligned climate policy and therefore feature prominently on the list of the most obstructive groups globally. The **US Chamber of Commerce** (3rd), **BusinessEurope** (5th), the **California Chamber of Commerce** (8th), the **Federation of German Industries** (9th), the **National Association of Manufacturers** (16th), the **Japanese Business Federation** (17th), and the **Federation of Korean Industries** (22nd) all feature amongst the top 25 industry groups with the largest, most negative policy footprints.

Appendix A

Corporate Lobbying and the UN Process on Climate Change

The United Nations Framework Convention on Climate Change (UNFCCC) commits governments globally to combat climate change by reducing GHG emissions and, following the 2015 Paris Agreement, it has been agreed that action should be taken to limit global temperature rises to well below 2°C and as close to 1.5°C as possible. Following the UNFCCC process, parties to the Paris Agreement have been required to submit and then revise targets and policy plans (Nationally Determined Contributions, or NDCs) to deliver the necessary emission reductions. However, as October 2021 analysis from the *United National Environmental Program* shows, when totaled, current NDCs fall dramatically short of the Paris Agreement targets, and are currently only on track to limit global temperature rise to 2.7°C by the end of the century.

InfluenceMap's Corporate Climate Policy Footprint analysis identifies the most influential companies and industry associations engaged in efforts to block, delay and/or weaken policymaker resolve to ramp up policy ambition on climate change, particularly as this relates to the phase out of fossil fuels and connected technologies (e.g., the internal combustion engine). The bullet points below provide an overview of how headwinds caused by corporate and industry association opposition have impacted the UNFCCC process by frustrating efforts to ratchet up NDC ambition. The analysis focuses on five economically significant regions where InfluenceMap's analysis shows there to be highly negative and influential companies and industry associations engaging on climate change policy.

- **The United States:** Despite President Biden's attempt to reverse his predecessor's climate policy record, pro-climate legislators in the US Congress have been unable to deliver a policy platform able to implement the country's April 2021 climate commitment of achieving 55% emission reductions by 2030. Of particular importance has been the failure to secure key climate provisions in the $3.5 trillion 'Reconciliation Bill'. *InfluenceMap's tracking* has shown that the US Chamber of Commerce, the American Petroleum Institute, American Fuels and Petrochemicals Manufacturers, National Association of Manufacturers (NAM), and the American Gas Association (AGA) have sought to strategically undermine the legislation. The US subsequently arrived at the 2021 Glasgow climate conference figuratively empty-handed when it comes to robust measures to deliver GHG emissions reductions.

- **Europe:** While InfluenceMap has *identified a significant trend* of climate policy leadership amongst the European corporate sector, powerful industry associations, largely representing heavy industry and transportation sectors, have lobbied the European Commission in 2020-21 to water down key elements of the EU's reform plan on climate. Cross-sector federation *BusinessEurope*, along with industry associations representing steel (*Eurofer*) and refining (*FuelsEurope*), have lobbied to weaken the EU Commission's approach to the EU Carbon Border Adjustment Mechanism (CBAM) and EU Emissions Trading System (EU ETS) reforms. The *aviation industry* has strongly opposed increased regional regulation such as the introduction of a kerosene tax, and representatives of the road transportation sector, such as the *German*

Automotive Association (VDA) and the *European Automobile Manufacturers Association* (ACEA), have opposed increased CO2 standards for vehicles. With negotiations amongst MEPs and EU Council members over key elements of the EU's climate plans getting underway during the last quarter of 2021, ongoing anti-climate lobbying poses a risk to the strong front on climate ambition in Europe that is needed for a successful COP26 outcome.

- **Japan:** Following the government's announcement in October 2020 to reach net zero emissions by 2050, certain Japanese corporate voices such as the largest Business Federation, Keidanren, which has been historically negative on decarbonization, have become supportive of carbon neutrality in *their top line messaging*. However, Keidanren continues to oppose binding regulations by arguing instead for voluntary and technology-based solutions. In various government hearings throughout 2021, Keidanren opposed *carbon border adjustment mechanisms* (CBAMs), *carbon tax, and emissions trading i*n Japan, instead *calling* on the government to promote voluntary credit mechanisms at the COP26 in Glasgow. Keidanren has also been a strong supporter for the ongoing role of fossil fuels in the Japanese energy mix, including supporting a prolonged role for coal in the energy mix, both *domestically* and across *Asia*. In October 2021, *leaked documents seen by the UK's BBC* reportedly showed that the Japanese government had sought to push the UN's scientific advisory body, the IPPC, to play down the need to rapidly move away from fossil fuels. The Japanese government *has also reportedly* been vocally oppositional to tightening rules around global credit trading mechanisms, a key issue in the run up to COP26. Despite this, in April 2021, the Japanese government moved to increase its 2030 NDCs emissions reduction target from 26% previously to 46-50% below 2013 levels. However, this target also received pushback from climate-oppositional parts of the Japanese corporate sector and, in September 2021, the Chairman of the Japan Automobile Manufacturers Association (JAMA) (also the CEO of Toyota), *criticized this* ambition as not reflective of Japanese circumstance "but based on a European trend."

- **South Korea:** The South Korean Presidential Committee on Carbon Neutrality has indicated that it will be *revising its 2030 NDC emissions reduction target f*rom 26.3% to 40% from 2018 levels, due to be officially announced at COP with a government plan presented to the UN in December. The government has faced opposition from key industry associations in its attempt to rachet up the region's climate policy ambition. The *Federation of Korean Industries* (FKI) has opposed the upcoming announcement, stressing the negative impact to the Korean policy, *calling it* an 'unreasonable reduction target' which will 'weaken industrial competitiveness and reduce the number of jobs.' Another powerful industry association in the region, the Korea Chamber of Commerce and Industry, despite high-level public support for climate ambition, has also challenged the need to set a more ambitious NDC, arguing that there was "insufficient rational basis" for *this in a meeting with The Ministry of Trade, Industry and Energy* in August 2021, and *stating on October 18th* that the new plan represents a "great challenge and burden" for "business, jobs and people's lives."

- **Australia**: InfluenceMap tracking *of Australian climate lobbying* has identified the profound impact that fossil fuel lobbyists have on the political agenda, and the *Australian Petroleum Producers & Exploration Association* (APPEA) and *Minerals Council Australia* make the top 15 in terms of negative and influential groups globally. APPEA has had significant impact in 2020-21 in *promoting* the notion of a gas-led recovery for the country's official response to the COVID-19 pandemic, *opposing* state-based policy efforts to move away from gas and towards renewables and *challenging* scientific consensus that achieving *net-zero* means phasing out fossil fuels from the energy mix. Australia is *expected to play* a disruptive role at the COP26 negotiations. In October 2021 the Australian government set a net zero goal for 2050 *but explained* that it would not take action on phasing out the production or use of fossil fuels. The Australian government has *sought to water down IPCC reporting* on climate science to play down the need to rapidly move away from fossil fuels, and also delete references to the impact of fossil fuel lobbyists.

Appendix B

Data for the Top 25 Most Negative & Influential Companies

The table below provides additional information on the top 25 most negative and influential companies, including a breakdown of the key metrics used to generate the Climate Policy Footprint analysis. The table also contains a brief description of the key issues underlying each company's inclusion in the ranking. This is not a full account of each company's climate policy engagement activities, which can instead be found in the online profiles for each company on InfluenceMap's website, accessed via the hyperlinks in the table. These profiles include overviews of each entity's lobbying activities and full access to the primary evidence underlying the analysis.

Company	Climate Policy Footprint	Performance Band (A-F)	Engagement Intensity (0-100)	Forbes 2000 Rank	Key issues
ExxonMobil	-66	D-	45	317	Highly strategic policy engagement, promoting oil & gas in the energy mix. Dense network of industry associations opposing climate policy in the US and globally.
Chevron	-65	E+	39	335	Highly strategic policy engagement, promoting oil & gas in the energy mix. Dense network of industry associations actively opposing climate policy in the US and globally.
Toyota Motor	-53	D-	32	12	Very significant economic clout. Strategic engagement opposing regulation to phase out ICE vehicles and electrify road transport.
Southern Company	-51	D-	34	170	Significant economic clout. Opposition to US state-level climate legislation.
Sempra Energy	-45	D-	28	278	Strategic policy engagement, opposing climate-motivated policy to phase out fossil gas at the US state level.
BASF	-39	D	52	421	Strategic policy engagement in Europe; not supportive of higher ambition of key climate policies at EU level, including reforms to EU ETS and proposed Carbon Border Adjustment Mechanism. Promoting role of fossil gas via subsidiary, Wintershall Dea.
ConocoPhillips	-36	D-	28	574	Strategic policy engagement promoting oil & gas in the energy mix. Dense network of

					industry associations opposing climate policy in the US and globally.
Glencore International	-32	E+	23	415	Promoting sustained role for coal in the energy mix. Dense network of industry associations opposing climate policy, including in Australia and South Africa.
BP	-27	D+	54	351	Highly strategic promotion of gas in the energy mix, opposition to climate-motivated policy to phase out fossil fuels in Europe. Dense network of industry associations actively opposing climate policy.
OMV	-25	D-	20	413	Active engagement promoting role of fossil fuels in the EU energy mix.
American Electric Power	-24	D	37	250	Strategic engagement opposing climate-motivated US policy to phase out fossil fuels from the power sector, including the Clean Electricity Performance Program (CEPP).
Duke Energy	-24	D	33	193	Strategic engagement supporting role of fossil gas in the US energy mix.
Rio Tinto Group	-24	D-	33	86	Significant economic clout. Unsupportive of certain forms of ambitious climate regulation due to concerns regarding trade competitiveness. Dense network of industry associations opposing climate policy.
Valero Energy	-24	E	19	591	Support for long-term role for oil in the US energy mix and opposition to US renewable fuels legislation. Strong relationships to US industry groups actively opposing US climate regulations.
Phillips 66	-24	E-	14	566	Support for long-term role for oil in the US energy mix and opposition to US renewable fuels legislation. Strong relationships to US industry groups actively opposing US climate regulations.
Berkshire Hathaway	-23	E	10	3	Very significant economic clout. Supporting long-term role for coal in the energy mix, senior executives appear to have questioned consensus around climate change science.
BMW Group	-22	D	34	61	Significant economic clout. Opposing stronger European regulations to phase out ICE vehicles. Strong relationships to EU and

					German industry associations that are likewise opposing ambitious EU climate regulations for the automotive sector.
Gazprom	-22	E+	14	367	Active promotion of natural gas in European energy mix.
BHP	-21	D	36	79	Significant economic clout. Promotes ongoing role for fossil fuels. Dense network of industry associations opposing climate policy.
Air France-KLM	-21	E+	30	1304	Strategic engagement against a range of climate-related regulations for aviation in the EU, France, and the Netherlands.
Enbridge	-20	D	17	146	Significant economic clout. Actively promoting role of fossil fuels in energy mix.
TC Energy	-19	D	16	295	Promoting a significant, long-term role for fossil fuels in the North American energy mix.
Daimler	-19	D	32	41	Significant economic clout. Despite ambiguity in recent positioning on key EU automotive climate policies, maintains strong relationships to EU and German industry associations that are opposing more stringent regulations on ICE vehicles.
Occidental Petroleum	-19	E+	21	670	Strong support for fossil fuels in the US energy mix. Links to powerful US industry associations opposing climate policy.
Hyundai Motor	-18	D	29	174	Significant economic clout. Negative positioning on regulation of ICE vehicles.