Frequently Asked Questions
A Climate of Corporate Control
Union of Concerned Scientists
May 30, 2012

How did you choose the 28 companies?

Because publicly-traded companies have higher disclosure requirements, we began with the S&P 500. Twenty-eight companies either commented publicly on the EPA's 2009 finding that heat-trapping gases endanger public health and welfare OR contributed to campaigns for or against Proposition 23, a 2010 ballot initiative in California that would have suspended the state's global warming mitigation law.

While there were several climate change-related policy discussions in the United States during this time period, including the heavily-debated American Clean Energy and Security Act of 2009 (the Waxman-Markey Bill), we intentionally chose areas of corporate engagement for which participation was voluntary and solely about climate change.

What do you mean by "misrepresenting science"?

Companies should weigh in on climate policy; however, they should not misrepresent the science that drives it. We looked carefully at how companies discussed climate science in their public communications. While we certainly don't expect companies to have mastered the complex intricacies of climate science; when they do choose to talk about the science of climate change, they should be consistent with the scientific consensus.

These misrepresentations included overemphasizing uncertainties associated with how humans affect the climate system while ignoring what is known, or otherwise making false claims about the reality of climate change as understood by the consensus of climate scientists.

What were the biggest surprises of this report?

It was surprising (and disappointing) that half of the companies misrepresented climate science in some venue that we could find. Another surprising finding was just how many companies were publicly contradictory in their actions around climate change. Although all companies in our sample expressed concern about climate change and its impacts, half of the companies misrepresented climate science in their public communications and others were contradictory in less direct ways, such as through their funding to think tanks and trade groups or through their political activity.

How do you know that these political contributions/lobbying expenditures/donations to outside organizations had anything to do with climate change?
Lobbying expenditures and political contributions buy access and influence, underscoring the need for more disclosure of corporate political activity so that we can hold companies accountable for these indirect actions.

Without greater transparency, often we cannot know the specific policy issues for which these contributions are targeted. However, if a company donates to anti-climate science members of Congress, gives to the Yes on Prop 23 campaign in California, and misrepresents climate science in its comments to the EPA, we do get a sense of where this company stands on climate change science in general. It is important to look at these venues where companies indirectly affect the debate on climate policies, as this is where much of their influence is realized.

Given that you were unable to look at all of any one corporation's activities, how confident are you in your analysis?
Companies are not required to reveal sufficient information about their political activities. We recognized those limits, and drew our conclusions extremely conservatively, based only on what was available.

If our limited research indicates companies are having a large influence, the full influence of these companies on the climate change conversation is likely to have been much greater. The limits on our methodology make the report's conclusions more serious, not less.

The good news is that there are several relatively simple steps that can be taken to better hold these companies accountable, including expanded federal government reporting and passage of the DISCLOSE Act, which would enhance disclosure of corporations' political spending. With relatively simple steps, companies can be better held accountable for their actions that have an impact on public policy.

Other groups have documented instances of corporate interference on climate policy. What makes this report unique?
We take a more comprehensive approach in that we look at some places of corporate engagement on climate that are typically less scrutinized, such as climate risk assessment in companies' filings with the Securities and Exchange Commission and company earnings calls with financial advisors. This allowed us to analyze how companies' climate positions change when they are directed at different audiences.

We also look at a diverse set of companies, many of which did not face much previous scrutiny. For example, we found that NIKE, General Electric, and Caterpillar were all actively engaged in the conversation on climate change.

Which companies were the best and which were the worst?
It's hard to say. The most important finding of this report is that it is extraordinarily difficult to comprehensively analyze the full role that companies have played in the conversation on climate change. The Company Profiles (Appendix C) provide details on each company.

Because much of the political activity of corporations happens from behind closed doors, the findings of the report likely represent an incomplete picture of how companies have influenced the national discourse on climate change. Greater corporate disclosure requirements are needed to determine which companies are truly supportive of climate action and which are taking actions to undermine the science behind it.

Why should these companies, which stand to lose money and business to their competitors, be forced to be transparent?
With rights come responsibilities. Every day, companies with huge resources are engaged in public policy, including climate policy. These corporate powers can exert major influence on government, our economy, and the planet. As investors and as members of the public, we have a right to know how these companies are influencing political decision making that affects all of us.

Second, like many investors, executives, and policy makers, we see good disclosure practices and good business practices as being complementary to each other, not in opposition. A business should be transparent because of its responsibility to shareholders, not in spite of it.

Companies are expected to defend their business interests even when they might contradict statements they have made in the past. Is it really unreasonable that this would happen?
When policy makers debate potential responses to climate change, companies of course have the right to weigh in on the consequences, economic and otherwise, that different policy options may have on their operations. However, it is inappropriate for companies to spread misinformation about the science that informs that policy discussion. The science that informs political decision making on climate change should come from experts, not from special interests.

When companies are inconsistent in their positions on climate science and policy, it is difficult for policy makers, shareholders, and the public to discern who is truly supporting climate science and science-based policy and who is blocking these efforts behind a climate-concerned public image.

Given that no climate policy is likely to come in the near future, does it really matter how these companies position themselves?
It is essential that we understand how companies are influencing the conversation. Our findings and similar analyses suggest that the actions of some companies are part of the reason that our nation has not made further progress to address climate change. Knowledge of the influence of companies' actions in past discussions of climate policy helps inform future policy debates and helps hold companies accountable. .

The cap and trade debate is over. How are these companies influencing policy now?
Congress is constantly debating climate policy in several forms, from subsidies for various types of power to fights over science funding to the move to more robustly address Americans' climate adaptation needs. Meanwhile, we see increased activity at the state level as companies seek to undercut public support for wind energy and move to roll back state-based climate and renewable energy laws. The EPA is already implementing carbon emissions standards for cars and trucks and is moving to curtail emissions from new coal-fired power plants. Future rules may address currently existing power plants.