Silent Influence

Are companies failing to govern their climate lobbying?

June 2025

Danu Insight

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Danu Insight is a climate-tech non-profit organization focused on changing how companies and stakeholders comprehend and tackle systemic environmental risks. Using advanced data science and AI, we deliver detailed and actionable insights into corporate lobbying activities and company communications regarding climate risk.

1. Executive Summary

Why Climate Lobbying Matters

Corporate lobbying is a hidden force that shapes and regularly undermines climate policy. Despite mounting investor and public concern about climate change, there is a significant information data gap concerning which companies openly disclose their climate lobbying activities and whether they have effective internal governance structures in place to manage this issue. Insufficient lobbying governance processes often leads to misalignment between companies' stated climate commitments and their lobbying actions, through inconsistent lobbying positions or membership in trade associations, which can inadvertently undermine net-zero policy. The lack of corporate accountability around climate lobbying, through public data, may also pose reputational and financial risks to investors and other stakeholders.

Our Approach

Danu Insight, a climate-tech non-profit, undertook a large-scale analysis to address this data gap, examining the public disclosures of over 8,500 listed companies globally. Leveraging web scraping and AI, we collected and processed information from diverse corporate sources.

We developed and applied two scoring frameworks: the *Climate Lobbying Transparency* framework assessed the quality of company disclosures of direct and indirect lobbying; the *Climate Lobbying Governance* framework evaluated disclosures concerning internal policies, oversight responsibilities, and alignment review processes.

Key Findings

The findings reveal a profound lack of corporate disclosure and oversight regarding climate lobbying.

- Widespread Opaqueness: Most companies **(78%) provide zero public disclosure** about their direct or indirect climate policy lobbying. A similarly large proportion **(75%) show no evidence of having a climate lobbying governance process**.
- Minimal Governance: Less than 4% of companies appear to have strong or comprehensive governance structures in place to manage climate lobbying risks and ensure adequate alignment..
- Positive Correlation: Companies with **high governance scores are over six times more likely to also have high transparency scores**.

Implications and Recommendations

The widespread deficiencies in climate lobbying transparency and governance represent significant unmanaged risks for companies and investors, potentially undermining climate policy progress and exposing investors to reputational and regulatory risks.

Investors can utilise these findings for targeted corporate engagement and integrate climate lobbying disclosure assessments into ESG fund criteria. At the same time, Governments should standardise and regulate lobbying reporting frameworks to improve transparency on this issue.

2. Introduction

Corporations consistently seek to influence government legislation through lobbying, which can significantly impact climate policy outcomes. It is a hidden yet powerful force that frequently seeks to undermine or weaken legislation aligned with the goals of the Paris Agreement. As investors and civil society have grown more attuned to climate change, their interest in how companies influence climate policy has also intensified, aided by data providers like InfluenceMap and led by investor coalitions such as Climate Action 100+ (CA100+) and investor-campaign groups like ACCR and ShareAction.

Despite the heightened interest around climate change and corporate political influence, a critical gap remains. We still lack comprehensive, consistent data about whether companies publicly disclose their climate lobbying activities and whether they have internal governance processes to manage these efforts. This gap makes it difficult for institutional investors and other stakeholders to accurately assess climate-related financial, reputational, and regulatory risks and ensure that lobbying activities support rather than undermine net-zero goals.

Many companies lobby for positions that contradict their stated climate commitments or belong to trade associations that quietly oppose climate policies. This misalignment increases the risk of reputational and regulatory damage for companies and investors and can also slow climate progress overall.

Crucially, robust oversight and governance structures that keep climate lobbying aligned with corporate values remain missing for most of the world's largest companies. Without a defined process to review or manage climate lobbying, businesses may unknowingly support policies in one region that contradict climate commitments in another. This inconsistency hampers effective climate strategies and leaves investors uncertain about the true extent of their exposure to climate risks.

Organisations like the UNPRI and We Mean Business's Responsible Policy Engagement (RPE) initiative have furthered principles around climate lobbying transparency, although there is a verification gap as data providers typically cover only a few hundred companies. Recognising the need for broader coverage, Danu Insight leveraged advanced data science and AI to analyse over 8,500 publicly listed companies globally. By extracting, quantifying, and benchmarking disclosures from multiple formats, we aim to provide the most extensive data-driven view of climate lobbying practices and governance to date.

In the sections that follow, we detail our methodologies, the scoring frameworks we developed, and the key findings from our large-scale analysis. We hope this report clarifies the lack of transparency around climate lobbying worldwide and helps investors, regulators, and civil society to push for improved transparency and aligned governance practices in the years ahead.

3. Methodology

The steps taken to assess a company according to the transparency and governance scoring frameworks, described below, were as follows:

1. We collected evidence from a range of sources, including web pages and PDF documents from company websites (e.g., annual reports, TCFD, CDP, Lobbying and ESG reports).
2. Natural Language Processing (NLP) techniques and keyword matching were used to filter documents to only those relevant to understanding the company's climate lobbying and related governance disclosures.
3. We developed scoring frameworks to evaluate the quality and transparency of a company's disclosures on its climate lobbying activities and governance processes to ensure the management and alignment of its climate lobbying. Further details of the scoring criteria for the frameworks can be found in Appendices 1 and 2.
4. We applied these scoring frameworks using Large Language Models (LLMs), to analyse and score each piece of evidence. We used different models to identify discrepancies, which we checked by hand.
5. After producing document-level scores and analysis, we aggregated and further analysed the evidence at the company level to produce scores, ranging from 0 to 4 for both climate lobbying transparency and governance.

Climate Lobbying Transparency Framework

Lobbying transparency is defined as the company's disclosure of deliberate efforts to influence climate-related policy, legislation or regulation. We broke down the transparency of disclosures into three categories:

- **Policies Lobbied** – Assesses the extent to which a company discloses the specific climate policies, legislation, or regulations it has sought to influence.
- **Lobbying Mechanisms** – How clearly a company explains *how* it lobbies (e.g., direct meetings, letters, consultation responses) and *whom* it targets (e.g., a legislative body, specific officials).
- **Outcomes Sought** – Evaluates whether the company discloses the policy outcomes it aims to achieve and explains why it pursued these ends (e.g., cost implications).

We combined the scores across these three categories, to produce an overall transparency score for each company.

Climate Lobbying Governance Framework

This framework was designed to assess a company's disclosures surrounding its internal governance processes for its climate lobbying activities. Here, a governance process includes oversight policies and mechanisms for monitoring and alignment.

Companies that achieve the highest governance score have:

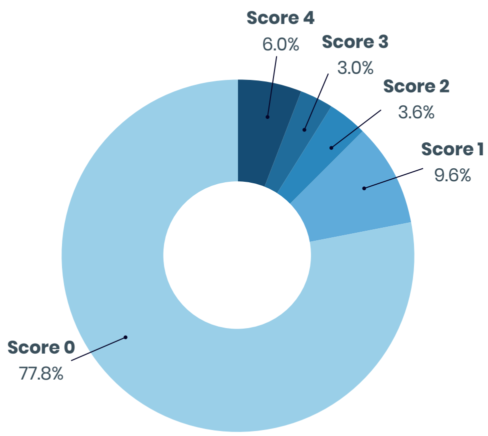
- A clear policy and management process to review climate lobbying.
- Details on who (individuals, teams) are responsible for lobbying oversight and alignment.
- Evidence of action to align climate lobbying with values, such as lobbying audits or reviews of trade association lobbying.

4. Analysis

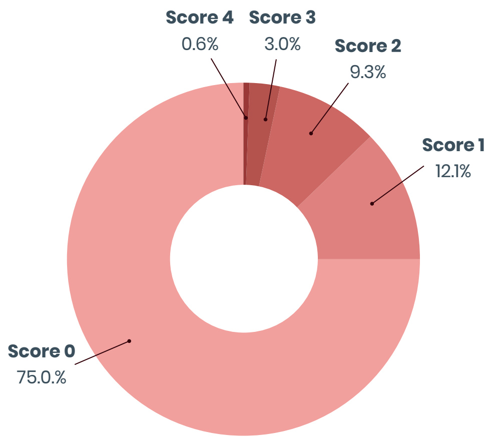
Climate Lobbying Transparency

Out of the total of 8,681 companies that we analysed, 78% did not disclose any information about their direct or indirect climate lobbying activities. We found this lack of disclosure is more prevalent among smaller companies, as defined by market capitalisation, which tend to engage in less direct climate lobbying than their larger counterparts. However, many of these smaller companies are members of business and trade associations that often interact with climate-related policies. In other words, companies frequently have some interaction with climate policy, and there is a compelling argument that all these listed companies should disclose their involvement in climate-related policy lobbying, even if the goal is to confirm that they do not engage in lobbying activities. The pie charts below show the number of companies that obtained each score according to the transparency and governance scoring frameworks.

TRANSPARENCY SCORE PROPORTIONS



GOVERNANCE SCORE PROPORTIONS



KEY
Score 4 = Comprehensive **Score 3 = Strong** **Score 2 = Moderate** **Score 1 = Limited** **Score 0 = None**

830 companies (9.6%) report participating in climate lobbying but provide too little detail to determine which policies they targeted or what outcomes they sought, giving investors almost no insight into their lobbying positions. Meanwhile, 311 (3.6%) demonstrate moderate transparency, revealing either the specific policies they lobbied on or the outcomes they pursued, but not both.

We found 787 companies (9.1%) exhibit "strong" or "comprehensive" transparency regarding at least two climate policies. They identify the relevant policies lobbied, explain how they communicated with policymakers, and clarify their objectives, providing stakeholders with a more complete picture of their climate lobbying activities.

Climate Lobbying Governance

The data showed that the number of companies implementing and disclosing a climate lobbying governance policy, management or oversight process was remarkably low. We found that 75% of companies scored 0, indicating that we found no evidence from them of any disclosing a climate lobbying governance process. Scores of 1 and 2 were obtained by 12.1% and 9.3% (1857 companies). This reflects where companies have disclosed some reference to how they manage climate lobbying risk, but their policies, processes or who is responsible are not clear.

262 (3.0%) companies scored 'strong' through aligning their lobbying efforts, which includes both direct lobbying and lobbying through trade associations, by establishing a clear policy and management process to monitor and ensure the alignment of its climate lobbying activities, while also designating specific individuals or groups, such as the CEO, head of ESG, or relevant working groups, to oversee these efforts. We identified 54 (0.6%) companies that meet all the criteria for a score of 3 and have also conducted an annual audit or review of their direct and indirect lobbying activities, therefore scoring a 4 and showing they have a "comprehensive" climate lobbying governance process

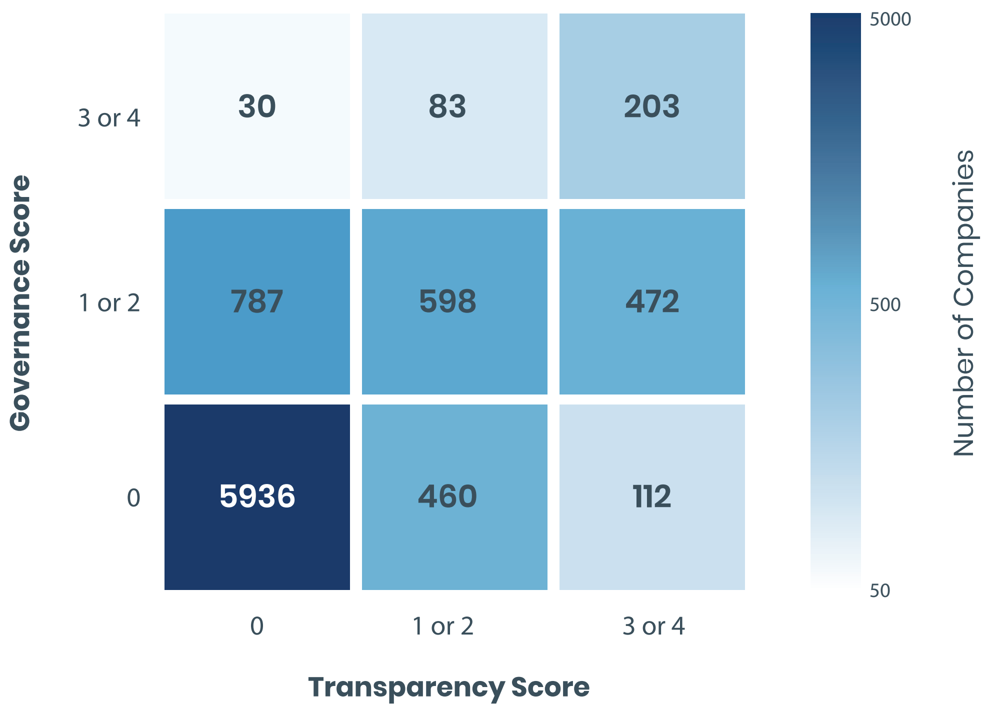
Clearly, just a small minority of the companies analysed seem to have formal structures in place to ensure that their direct and indirect lobbying activities align with their climate values. This suggests that most listed companies do not appear to be effectively managing climate lobbying risks, and therefore probably have a limited understanding of their influence on global climate policy. They are also likely failing to address direct and indirect lobbying inconsistencies through their trade associations. As a result, whether intentionally or not, they are very likely undermining the goals of net-zero aligned policymaking. This poses a reputational or regulatory risk to institutional investors, especially those that hold them in ESG and climate-themed funds.

Transparency and Governance Relationship

We aimed to explore the relationship between the transparency and governance scores and to determine any correlation between a given company's governance and transparency scores. We hypothesised that companies demonstrating high levels of transparency likely have effective lobbying governance and monitoring processes in place, and vice versa.

The graph below shows a plot of transparency vs governance scores across more than 8500 companies that we analysed, with the number of companies in each score distribution bucket displayed and mapped to a colour scale. We grouped scores into "0", "1 or 2" and "3 and 4" to more clearly highlight the difference between companies with high and low scores and to make any patterns more apparent.

TRANSPARENCY AND GOVERNANCE CORRELATION



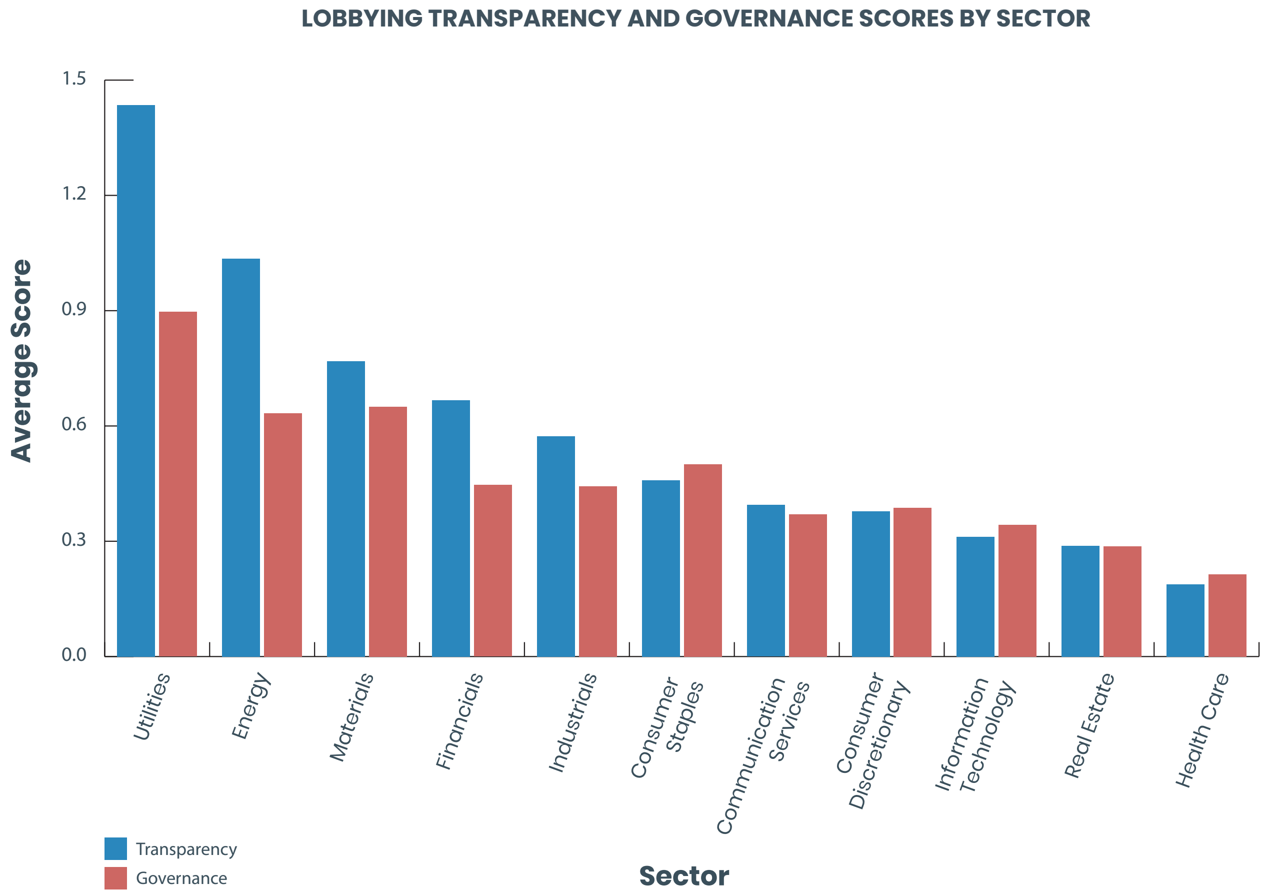
The majority of companies fall into the bottom left cell in the grid, indicating that they score zero for both transparency and governance. When there are non-zero scores, however, there is a weak positive correlation between transparency and governance scores, indicating that on average, higher score for one of the metrics typically corresponds with higher scores for the other.

Companies with high governance scores (3 or 4) are much more likely to also have high transparency scores (3 or 4): 64% of them do, compared to just 9.1% of companies overall. This finding suggests that having robust governance processes in place may lead companies to be more transparent about their climate lobbying. The reverse also holds, with companies scoring highly for transparency also being more likely to have high scores for governance. 26% of companies scoring 3 or 4 for transparency have a score of 3 or 4 for governance, yet just 3.6% of companies overall have governance scores this high.

Sector and Continent Trends

Data analysis reveals distinct patterns when companies are grouped by industry sector or continent. As illustrated in the graph below, average scores for both climate lobbying transparency and governance vary considerably across different sectors.

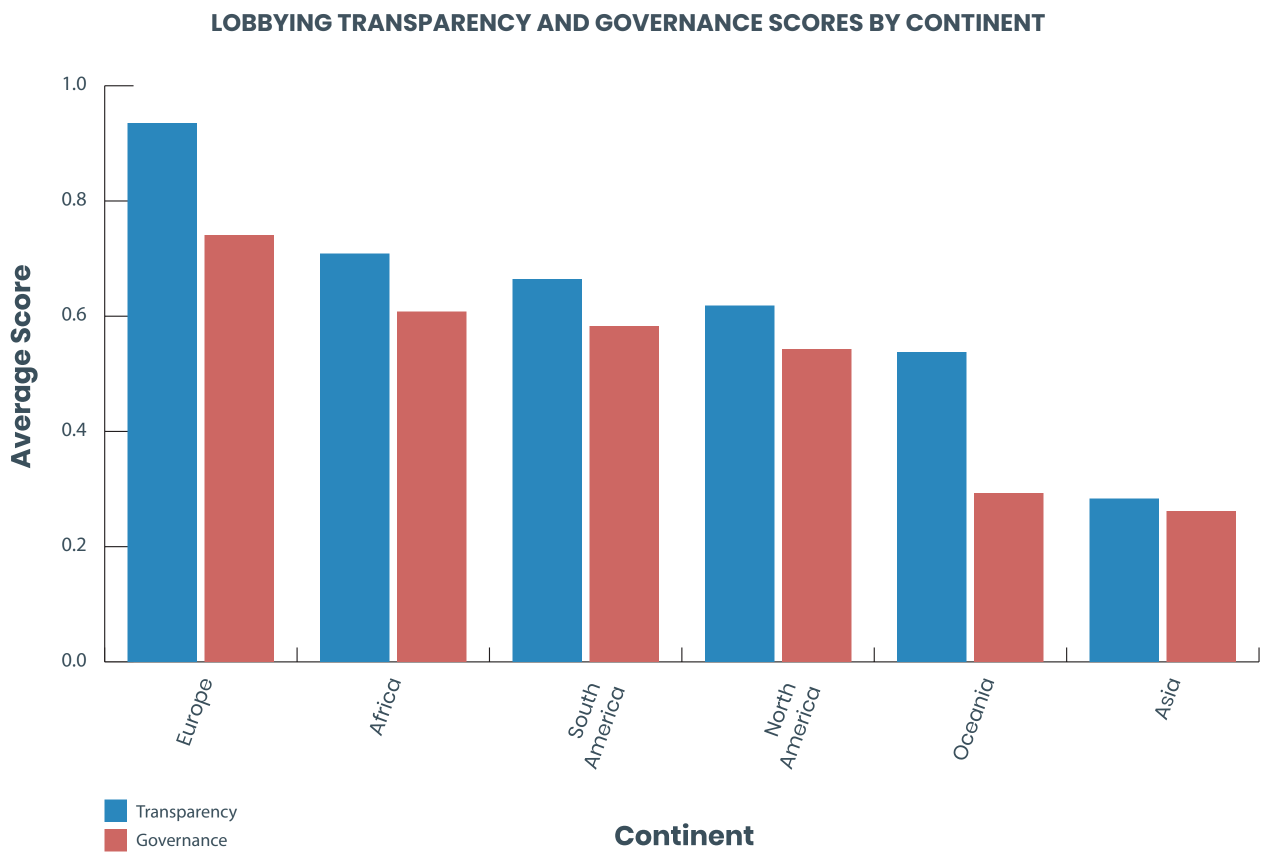
Companies operating in sectors generally understood to be highly exposed to climate-related policy and transition risks tend to demonstrate higher levels of disclosure. Notably, the Utilities sector shows the highest average transparency score by a significant margin, followed by Energy and Materials. These sectors also lead, albeit with lower average scores overall, in climate lobbying governance. This suggests that companies facing more climate pressure (e.g. from regulators, transition challenges, or stakeholder scrutiny) are more likely to disclose their lobbying activities and implement governance structures.



Conversely, sectors that are less directly impacted by climate policy exhibit lower average scores. The Health Care, Real Estate and Information Technology sectors consistently show the lowest average scores for both transparency and governance. Across nearly all sectors, the average transparency score surpasses the average governance score, reinforcing the broader finding that disclosure of lobbying activities is currently more common than the disclosure of robust internal processes to manage and align those activities.

However, it remains unclear whether the differences seen across sectors are due to the companies' exposure to climate policy, specific climate-related challenges faced within each sector, or investor pressures driven by negative lobbying.

Similarly, grouping companies by their continent of domicile reveals significant geographical differences, as shown in the graph on the next page. Europe stands out with the highest average scores for both transparency and governance, suggesting a stronger regional trend towards disclosure and oversight of climate lobbying, potentially influenced by regulatory environments like the EU's focus on sustainable finance and corporate accountability. African companies collectively show the second-highest average transparency and governance scores. North and South America display moderate average scores, while Oceania and particularly Asia exhibit the lowest average scores across both metrics. This indicates that companies based in Asia are, on average, the least likely to disclose their climate lobbying activities or the governance processes surrounding them. These regional variations likely reflect differences in regulatory pressures, dominant investor expectations, and prevailing corporate norms concerning climate-related disclosures.



5. Conclusion

The findings of this report underscore critical gaps in corporate disclosure and governance practices related to climate lobbying. The overwhelming lack of transparency and governance observed in most companies highlights significant regulatory and reputational risks for investors, This widespread deficiency undermines effective stewardship by institutional investors and allows misaligned lobbying activities to remain unchecked.

Why Investor Oversight of Climate Lobbying Governance Matters

A company lobbies based on its current or intended business model. While a company can change its business model and use policy to facilitate this change, it is unlikely to lobby for legislation that it perceives as financially harmful. Though we know that external pressure can prompt companies to soften or reform their lobbying positions. A reason for this report is that lobbying governance presents an underutilised opportunity for change.

Public Affairs Teams

Lobbyists often see their role as preventing legislation—particularly in the climate space, where new policy overwhelmingly imposes costs on industry. The lobbyists employed are usually highly knowledgeable about the legislation they seek to influence, but not necessarily about alternative, climate-aligned solutions. Conversely, companies undergoing transition need lobbyists who take a different stance and are willing to support climate-friendly legislation.

Once a public affairs team is tasked with protecting the company from a policy, the methods they use are often indirect and only partially transparent—such as face-to-face meetings or feeding stories to the press. Without proper company-level oversight and governance, companies rarely grasp the extent or climate alignment of their political lobbying efforts. The system does not automatically correct because public affairs teams are often separate from ESG teams, and the former are rarely accountable to the latter.

Public affairs teams also operate across numerous justrications globally. Without clear internal policies and management, irregular lobbying is likely. For instance, Unilever lobbied against the 2014 Australian Carbon Tax, which was eventually abolished. While this outcome was not Unilever's fault—the mining sector and other industries bare more responsibility—it shows how even, Unliever, a well-intentioned CSR leader can inadvertently oppose critical climate policy. Stronger climate lobbying governance - which they now have - would have almost certainly prevented this.

Trade Associations

Aligning trade associations with company values is also essential for building coherent, effective climate policy globally. These well-funded and politically entrenched groups are unlikely to disappear. Auditing trade associations' lobbying activities is vital for identifying which companies are funding which groups, and what positions those groups are taking. This allows companies to push for alignment between the trade associations they empower with the goals of the Paris Agreement.

Without these audits, companies remain in the dark about how their trade associations engage with climate policy. Further, they cannot navigate the already challenging task of assessing whether their lobbying is truly aligned with the Paris Agreement—and therefore, whether they can credibly claim to be a Paris- or Net Zero-aligned company.

There is also a valid discussion about what constitutes good lobbying governance when a company belongs to a climate policy obstructionist entity. In some cases, it may be appropriate to threaten or actually withdraw, especially where groups like the Western States Petroleum Association (WSPA), which are unyielding on climate action—making membership incompatible with being a Paris-aligned company. However, many trade associations serve multiple functions. Reputable companies can and should stay involved with some less progressive associations to help shift them. For this engagement to be genuine—not a pretext for delay—companies should disclose to investors what actions they are taking to improve the lobbying practices of these groups.

Our theory of change is that if thousands of companies effectively manage their climate governance, it will lead to lobbying and policy outcomes that are more aligned with the goals of the Paris Agreement. Our report has shown that current lobbying disclosures and governance are widely inadequate; making this in turn a change opporunty for companies and investors.

Recommendations

A key conclusion of this report, along with the generally low levels of lobbying disclosure, is the need for standardised reporting frameworks, ideally supported by regulatory oversight, that focus on climate and other lobbying activities.

The report also highlights that the current level of disclosure is inadequate, which should raise concerns among creators of climate or ESG funds. If investee companies lack transparency regarding their influence on policy in this area, it poses reputational and regulatory risks, particularly given the increasing stringency of fund regulation in the EU and other regions. For stewardship teams, there is also an opportunity to achieve significant improvements by promoting better transparency in this area, similar to the advancements made in GHG emissions reporting through investor pressure and organisations like CDP.

Limitations and Next Steps

While conducting this data collection and analysis, we have taken steps to ensure accuracy and reliability, yet several limitations remain. The reliance on publicly available disclosures inherently restricts insights into actual lobbying practices that companies might deliberately or inadvertently omit from public reporting. Future iterations of this work on lobbying by Danu Insight will integrate an analysis of the actual lobbying activities of the same companies' net-zero lobbying alignment.

The qualitative nature of lobbying data poses analytical challenges, despite employing advanced NLP and AI-driven methods. Though not entirely, we also predominantly focused our efforts on collecting English language disclosures. Although most companies disclose their activities in English, we may have missed some disclosures for companies in parts of Asia (e.g. Japan, South Korea), which could explain the lower average transparency and governance scores we observed here. Another limitation arises from variations in reporting standards across jurisdictions and sectors, potentially impacting comparability.

Regularly refreshing the dataset and adjusting the scoring frameworks to align with evolving best practices and regulatory changes will significantly enhance the utility of our findings. Danu aims to make annual revisions so that the insights remain actionable for all stakeholders engaged in climate advocacy and investment decisions.

Appendix 1 – Climate Lobbying Transparency Framework

Objective: To assess how openly and specifically a company discloses its lobbying activities. This includes:

- The specific policies, legislation or regulation targeted.
- The methods or mechanisms used to influence policy.
- The policy outcomes the company seeks to achieve through lobbying.

Scoring Categories and Criteria

For each company, we evaluate three categories: Policies Lobbied (PL), Lobbying Mechanisms (LM), and Outcomes Sought (OS). Each category is scored independently from 0 to 3.

A) Policies Lobbied (PL)

Definition: How specifically the company identifies policies, legislation, or regulations it aims to influence.

Score 3: The company is highly transparent, naming at least three specific climate policies it has lobbied, or providing enough detail to identify three policies even if not explicitly named. Alternatively, it can score a 3 by clearly explaining why it does not engage in climate lobbying.

Score 2: The company references two identifiable climate policies, either by name or with sufficient detail. It may also score a 2 if it states non-engagement without explaining why.

Score 1: The company either discusses engagement in general climate policy areas without naming specific policies or provides only broad categories of policies it has lobbied. E.g., "We are involved in shaping low-carbon development policies."

Score 0: The company refers to climate policy topics but gives no evidence of actual lobbying or provides details too vague to identify any specific climate-related policy.

B) Lobbying Mechanisms (LM)

Definition: How explicitly the company describes the methods it uses to engage policymakers or regulatory bodies, and whether it names the specific policymaking target.

Score 3: The company discloses specific lobbying methods (e.g., letters, meetings) across at least three evidence pieces, and clearly identifies specific targets of lobbying (e.g., named policymakers or government bodies), or it transparently explains why it does not engage in climate lobbying.

Score 2: The company discloses specific lobbying mechanisms across at least two evidence pieces, and clearly identifies the specific targets of those efforts. It may also state non-engagement in climate lobbying, without a justification or reason.

Score 1: The company either describes a specific lobbying mechanism without naming the policymaking target, or names the target (e.g., UK Parliament) without explaining how it engaged (e.g., through meetings or submissions).

Score 0: The company makes vague references to lobbying (e.g., "key stakeholders" or "governments") without specifying who or how, or it describes lobbying methods with no clear connection to climate policy or targets.

C) Outcomes Sought (OS)

Definition: How clearly the company states the outcomes it wants to achieve through lobbying.

Score 3: The company clearly identifies all or at least three specific desired policy changes or outcomes it aims to achieve through supporting or opposing policy (e.g., amendments, new targets, or subsidies). Alternatively, it may state that it does not seek specific outcomes and explain why, showing transparency in its approach.

Score 2: The company discloses at least two specific desired policy changes or outcomes it aimed to achieve through supporting or opposing policy. It may also earn this score by transparently stating non-engagement in climate lobbying without explaining its non-engagement.

Score 1: The company expresses general support or opposition for climate policies but without detailing specific policy goals, proposals, or measurable changes. Any stated opposition lacks clarity about what the company supports instead.

Score 0: The company acknowledges lobbying activity but does not explain what policy changes or outcomes it seeks, offering only vague engagement descriptions without a stated goal.

Overall Score

To determine a company's overall score for climate lobbying transparency, the following approach is taken. First, the scores for the company for each of the three disclosure categories, PL, LM and OS, are added together to get a sum between 0 and 9.

This sum is then mapped to an overall score according to the following scale:

- **Sum 0** => Overall Score **0** ("None")
- **Sum 1–4** => Overall Score **1** ("Limited")
- **Sum 5–6** => Overall Score **2** ("Moderate")
- **Sum 7–8** => Overall Score **3** ("Strong")
- **Sum 9** => Overall Score **4** ("Comprehensive")

This final, overall score reflects the transparency and clarity of a company's climate policy lobbying disclosures.

Appendix 2 -
Climate Lobbying Governance Framework

Objective: To evaluate the quality and transparency around the company's governance processes for managing climate lobbying. A governance process is defined as the internal mechanisms, oversight structures, monitoring, and accountability measures the company uses to ensure climate lobbying alignment, not simply statements of lobbying stance, policy commitment, or expressions of support for climate goals.

Scoring Scale and Criteria

4 – Comprehensive: A company publishes (and plainly links to) a public, climate lobbying alignment report or independent audit that covers both direct and indirect lobbying. It sets out a recurring process for monitoring and managing that alignment, and it names the specific individual(s) or committee – e.g., CEO, Board Sustainability Committee – holding ultimate oversight.

3 – Strong: All three of these points must be present: a clear policy and process (annual review, disclosure cycle, etc.) for keeping climate lobbying on strategy; And evidence the company aligns both its own advocacy and its trade association lobbying (engage, correct, or exit when necessary); And a named owner (individual or committee) with responsibility for that alignment.

2 – Moderate: The company shows some climate lobbying governance, yet falls short of at least one element required for a score of 3 (full monitoring detail, coverage of both channels, or a formal owner). It must have (A) either a policy or a limited process that spells out one concrete mechanism for alignment and (B) either a tangible lobbying alignment step or a named oversight body.

1 – Limited: Only some general lobbying governance is disclosed: a policy that mentions an oversight or review step; or a generic promise to align lobbying with company climate goals; or naming a lobbying oversight body.

0 – None: No evidence meets the bar for a score of 1. The company either says it has no climate lobbying governance, or references only legal compliance / transparency registers / PAC data, or says nothing about lobbying or lobbying governance at all.