



SustainAbility

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Press release

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One company two faces?

Today, Tuesday 19 July, WWF and SustainAbility launch a ground breaking report that reveals the strength of links between the corporate responsibility practices and government lobbying and public policy activities of 100 major global corporations.

The report, *Influencing Power*, ranked the world's top 100 companies on the transparency of their lobbying activities and whether it demonstrates support for their public statements on Corporate Responsibility. This is often a murky world where companies can portray themselves to be responsible in their corporate communications to the public, but behind the closed doors of government they oppose their public image by doing everything in their power to prevent or slow down public policy progress towards sustainability.

Results show that UK businesses lead the world in their openness about lobbying government, a vital step for a sustainable society and gaining the trust of the public. The UK was followed by the US and the Netherlands, while other industrial countries like France and Japan lagged behind. In Japan, of the 12 companies in the survey only one, **Toyota**, made any reference to the issue of lobbying.

"If society is to become sustainable it is vital that corporate responsibility practices should be explicitly linked with a company's lobbying and public policy activities," said Jules Peck, WWF Global Policy Advisor. "With weak and contradictory links between these activities businesses will continue to be hit by scandal after scandal and the public's trust in them will continue to ebb away."

Nearly all of the top scoring businesses are from sectors such as **Energy, Materials and Health Care**, which have heavy direct social and environmental impacts. This is perhaps not too surprising, given that these sectors receive a significant amount of scrutiny from non-governmental organisations, socially-responsible investors and governments, and so are more likely to have the issue on their agenda. Conversely, companies in **Financial and Telecommunication** sectors, that until recently have been considered low impact sectors, receive some of the lowest average ratings.

At a company level fifty per cent of these multinationals are providing some degree of transparency around lobbying activity, a clear improvement over the last five years. But the research also found many worrying examples of disjointed company practice, for example **GlaxoSmithKline, Ford and General Motors**, where government lobbying contradicted the company's public position.

No company reveals the amount it pays to professional lobbyists, although the amounts are staggering. In 2004 alone, the collective invoices of Washington lobbyists were likely to have exceeded \$3 billion. In Europe an estimated 15,000 lobbyists represent a 60-90 million euro industry, but no comprehensive figures are available as disclosure only takes place on a voluntary basis.



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The report found that most companies were still considered to have an outmoded business view where government policy and regulation are seen primarily as limiters or threats to existing markets and business practices.

“While companies like **BASF, Chevron, Dow, Ford, General Motors and GlaxoSmithKline** all ranked well on transparency”, said Jodie Thorpe, Senior Advisor at SustainAbility, “their focus is generally on defending often controversial positions rather than on how corporate responsibility and related policy activities can support core business strategies”.

There are, however, isolated cases of companies viewing corporate responsibility as a way of standing out to the public and recognising the potential for public policy to help create new markets. The report found emerging evidence of best practice – such as **ABN Amro, BP, HSBC and Royal Dutch/Shell** as part of **The Corporate Leaders Group on Climate Change**² – but these examples are few and far between.

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Editor's notes

WWF is now known simply by its initials and the panda logo.

SustainAbility is a strategy consultancy and independent think-tank specialising in business risks and market opportunities of corporate responsibility and sustainable development.

1. **GlaxoSmithKline** reports on the excellent work it is doing on access policies for essential drugs. Nonetheless it is a major member of an industry association that is regularly criticised by HIV/AIDS experts for its lobbying on intellectual property rights. **Ford** and **General Motors** have high levels of transparency but have been criticised for lobbying against attempts to control greenhouse gas emissions from the auto-sector.
2. The **Corporate Leaders Group on Climate Change**, composed of leading businesses operating in the UK including **ABN Amro, BP, HSBC and Royal Dutch/Shell**, is calling for UK Prime Minister Tony Blair to provide ‘a strong policy framework that creates a long-term value for carbon emissions reductions and consistently supports and incentivises the development of new technologies.’ Without such a framework, the business leaders argue, it will not be possible to deliver the step-change in the development of low carbon goods and services that are required

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