




# Ford Motor Company

## Detailed assessment of Ford’s corporate industry association review

February 2022








This document outlines a detailed breakdown of InfluenceMap’s assessment of the company’s corporate disclosure on industry association lobbying, using the traffic-light assessment framework summarized below. Further details on the assessment methodology is available in the Appendix, and in our April 2021 report [here](#).

Key	Explanation
	Has broadly met investor expectations in this area.
	Has made some progress on investor expectations in this area, but with significant deficiencies.
	Has fallen short of investor expectations in this area.

A summary of Ford Motor Company’s disclosures on industry associations is shown below. Ford Motor Company has published one review of its industry associations to date. The Review Score represents InfluenceMap’s overall assessment of the quality of the company’s industry association review process, where 100 would indicate that a company has met investor expectations for all criteria related to the review process.

Date of Review	Review Score
March 2021	7 / 100* <sup>1</sup>

This assessment focuses solely on Ford Motor Company’s disclosure on industry associations and climate lobbying, which can be [found here](#). This assessment does not include an analysis of the company’s direct lobbying, which can be found on InfluenceMap’s online profile of Ford Motor Company [here](#). Applying the traffic-light framework outlined above, the table below summarizes the company’s performance under the seven indicators which form InfluenceMap’s assessment.

Disclosure & Transparency	Policy Alignment Process
 <b>Corporate climate positions</b>	 <b>Identify &amp; Assess</b>
 <b>Industry group climate positions</b>	 <b>Monitor &amp; Review</b>
 <b>Alignment assessment method</b>	 <b>Act</b>
 <b>Framework for misalignment</b>	

<sup>1</sup> In February 2022, Ford’s Review Score was reduced from 14/100 to 7/100 to reflect an updated assessment of the ‘Corporate climate positions’ indicator. InfluenceMap has strengthened the assessment criteria of this indicator to screen for companies that have not covered business-critical climate policy strands in their disclosures. Upon review, it is clear that Ford had not disclosed its position on several key items of regulation and legislation which appear material to the company’s operations (see below for further details).

## Ford’s Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, Ford’s assessment, and examples of better practice by companies to date.

While InfluenceMap did not find an example of best practice across the entire industry association review process, some companies have demonstrated better practice under specific metrics under the 'Disclosure & Transparency' and 'Policy Alignment Process' assessments.

### Disclosure & Transparency

Corporate climate policy positions and influencing activities	
<p><b>To meet investor expectations under this indicator:</b> The company has to disclose a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.</p>	
<b>Ford</b>	<p>Ford has disclosed its positioning and influencing activities on some specific items of regulation and legislation. The company has disclosed its position on some US climate-related policies including the California Settlement Agreement. However, the company has not fully disclosed its engagement on numerous key items of US climate-related policies which are material to its operations, such as GHG emissions standards and Corporate Average Fuel Economy (CAFE) standards for light duty vehicles. Additionally, the company has not disclosed positions on key climate policies for the automotive sector in other major regions, such as the EU’s 2035 CO2 emissions standards for cars and vans, or national and regional ICE vehicle phase out policies and ZEV mandates.</p>
<b>Best Practice</b>	<p><i>Shell</i> has disclosed six detailed climate policy positions in its 2021 review including net-zero emissions and carbon pricing. Shell’s 2020 update also outlined the company’s position on specific climate policies including the EU Green Deal and methane regulation in the EU and US. The 2021 review also includes a clear reference to a list of climate policy positions and live advocacy updates on Shell’s corporate website.</p>

Industry association climate policy positions and influencing activities	
<p><b>To meet investor expectations under this indicator:</b> The company has to disclose a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond ‘top-line’ statements.</p>	
<b>Ford</b>	<p>Ford has disclosed an overview of each industry associations’ mission and climate change position. However, this disclosure is largely limited to top-line climate statements without reference to specific items of regulation and legislation.</p>
<b>Best Practice</b>	<p>No companies have met investor expectations in this area, although <i>BASF</i> and <i>Shell</i> exhibit current leading practice. Both companies have disclosed a detailed account of all key industry associations’ climate policy positions, and a summary of their influencing activities. However, they appear to overlook detailed negative lobbying by a number of industry associations identified by InfluenceMap's database.</p>

**Alignment assessment method**

**To meet investor expectations under this indicator:** The company has to: (1) disclose a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently apply this framework across *all* industry associations; and (3) provide a clear and detailed explanation behind each evaluation.

<b>Ford</b>	Ford has disclosed a limited explanation of its alignment assessment methodology, outlining five metrics but with no discussion of what constitutes alignment with reference to these. Although there is a brief overview of where each association is aligned, there is ambiguity regarding how these evaluations have been made.
<b>Best Practice</b>	<b>BASF</b> has also disclosed a clear explanation of its alignment assessment method along with a clear and detailed explanation of how it has been applied to each industry association. The company also provided specific alignment indicators for EU climate policy such as the EU ETS to assess the alignment of key European industry associations.

**Framework for addressing misalignment**

**To meet investor expectations under this indicator:** The company must disclose a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.

<b>Ford</b>	Ford has stated that it would “respond appropriately” if an association’s position did not align and advocate for its position independently, but the steps are ambiguous and lack sufficient detail and there are no timelines attached.
<b>Best Practice</b>	<b>BHP</b> has disclosed clear and detailed steps for addressing potential misalignment, including an escalation strategy and clear timelines attached. The company states it will communicate material differences, request that the industry association develop a position or refrain from advocacy in certain areas, and review the membership if there has been no action within 12 months.

## Policy Alignment Process

**Identify & Assess**

**To meet investor expectations under this indicator:** The company has to identify all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s *database* on corporate lobbying.




<b>Ford</b>	Ford has not identified any cases of misalignment with its industry associations. InfluenceMap analysis indicates that the company likely has seven memberships to industry associations misaligned with the Paris Agreement (National Association of Manufacturers, US Chamber of Commerce, Alliance of Automobile Manufacturers, European Automobile Manufacturers Association (ACEA), German Automotive Association (VDA), Society of Motor Manufacturers and Traders, Society of Indian Automobile Manufacturers) and one membership to industry associations potentially misaligned with the Paris Agreement (Business Roundtable).
<b>Best Practice</b>	No companies have met investor expectations in this area. InfluenceMap analysis indicates that all companies have missed key cases of misalignment with industry associations lobbying counter to the goals of the Paris Agreement.

Monitor & Review	
<p><b>To meet investor expectations under this indicator:</b> The company has to publish a review of industry associations on an annual basis, commit to do so at least once a year, or commit to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company’s alignment and engagement with the industry association concerning these activities.</p>	
<b>Ford</b>	<p>Ford has not committed to publicly update its industry association review. The company states that it will conduct an internal review annually and share this report with management, but it is not clear if this will be publicly disclosed.</p>
<b>Best Practice</b>	<p><i>Shell</i> has published full industry association reviews in 2019 and 2021. In April 2020, Shell also published an update on the nine associations with some misalignment found in 2019 including actions taken within each association, key changes to the associations’ climate positions and detailed next steps. Shell has committed to publish its next update in 2022.</p>

Act	
<p><b>To meet investor expectations under this indicator:</b> The company has to show evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap’s <i>database</i> on corporate lobbying. The investor expectations outlined by <i>PRI</i>, <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.</p>	
<b>Ford</b>	<p>Ford has shown no evidence of action to address misalignments, beyond outlining where it has taken independent action from the Alliance for Automotive Innovation. The company does not appear to have addressed key cases of material and potential misalignment with the Paris Agreement identified by InfluenceMap’s database (see Identify &amp; Assess).</p>
<b>Best Practice</b>	<p>No companies have met investor expectations in this area by showing evidence of action to address all cases of misalignment identified by InfluenceMap’s database, although some companies have made more progress. <i>Total</i> announced in January 2021 that it had decided not to renew its membership to the American Petroleum Institute due to divergences on climate positions. <i>BHP</i> suspended its membership to Queensland Resources Council in 2020 following its ‘Vote Greens Last’ advertising campaign and outlined detailed actions to be taken at four "partly aligned" industry associations. <i>Chevron</i> has not left any industry associations but has disclosed its engagement on specific climate change policy issues with seven industry associations, including details of the results of this engagement. Similarly, <i>General Motors</i> has disclosed that it has not financially contributed to advocacy campaigns against the Build Back Better Act by the Business Roundtable and US Chamber, and has publicly advocated a supportive position to ensure its stance is differentiated from them.</p>

# Appendix A: Methodologies for Assessment



## Scoring Disclosures and Policy-Alignment

Key	Explanation
	Has broadly met investor expectations in this area.
	Has made some progress on investor expectations in this area, but with significant deficiencies.
	Has fallen short of investor expectations in this area.

## Assessing Disclosures

Since BHP’s 2017 industry association review, around 40 major global corporates have delivered similar, specific disclosures on their industry association links in response to investor pressure. This positive momentum is undermined, however, if the resulting disclosures are of poor quality.

In its *‘Investor Expectations on Corporate Climate Lobbying’* report, the PRI highlights the need for disclosure on the company’s positions and activities on climate change policy engagement, as well as the positions and activities of the industry groups it supports. The PRI further requests information on the governance processes and actions taken to ensure alignment between these activities and the company’s stated climate goals. *IIGCC* and *Ceres* articulate similar expectations, also requiring companies to disclose a material impact assessment of lobbying by an organization that opposes their public position. InfluenceMap uses the following assessment criteria to test the clarity, accuracy and scope of information provided by companies against four key issues.

Disclosure Item	Score	InfluenceMap’s Assessment Criteria
<b>Corporate climate policy positions and influencing activities</b>		The company has disclosed a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.
		The company has disclosed a breakdown of its own climate policy positions and influencing activities. However, the company’s description of its positions and policy engagement activities on specific items of regulation and legislation lacks detail, and/or the company has not disclosed its position and engagement activities on key items of regulation and legislation which are material to its operations, business sector, and/or the region(s) in which it operates.

		The company has made no attempt to disclose its climate policy positions and influencing activities, or the company’s disclosure is limited to a brief overview of its ‘top-line’ climate statements and operational commitments without reference to specific items of regulation and legislation.
<b>Industry association climate policy positions and influencing activities</b>		The company has disclosed a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond ‘top-line’ statements.
		The company has disclosed an account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, beyond ‘top-line’ statements. However, the disclosure lacks detail on positions and policy engagement activities on specific items of regulation and legislation, and/or does not disclose evidence of negative climate lobbying by one or more of its industry associations.
		The company has not disclosed the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, and/or the company’s disclosure is limited to a brief overview of ‘top-line’ climate statements without reference to specific items of regulation and legislation.
<b>Alignment assessment method</b>		The company has: (1) disclosed a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently applied this framework across <i>all</i> industry associations; and (3) provided a clear and detailed explanation behind each evaluation.
		The company has disclosed a framework for assessing alignment with its industry associations but the disclosure lacks detail regarding <i>one</i> of the above steps (1-3).
		The company has not disclosed a framework for assessing alignment with industry associations, or it has disclosed a framework but the disclosure lacks detail regarding <i>more than one</i> of the above steps (1-3).
<b>Framework for addressing misalignment</b>		The company has disclosed a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.
		The company has disclosed a clear and detailed framework for addressing misalignments with its industry associations including escalation steps, but there is no clear deadlines for industry associations which do not amend misaligned practices
		The company has not disclosed a framework for addressing misalignments with its industry associations, or the company has disclosed a framework but the steps are ambiguous and lack sufficient detail.

## Assessing Policy Alignment Process

As well as transparent disclosures on industry group links and lobbying activities, the investor expectations communicated by IIGCC, CERES and the UN PRI also set out the need for robust processes to ensure alignment between the company’s stated policy positions and the positions and lobbying activities of their industry groups. These processes consist of the following three elements:

Alignment Process	Score	InfluenceMap’s Assessment Criteria
Identify & Assess	Green	The company has identified all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s <i>database</i> on corporate lobbying.
	Yellow	The company has not identified key cases of misalignment with the Paris Agreement in line with InfluenceMap’s <i>database</i> on corporate lobbying. Companies are scored in this category if they miss up to three cases of “potential” misalignment (industry associations with Organization Scores 51-75 in InfluenceMap’s database).
	Red	The company has not identified key cases of misalignment with the Paris Agreement in line with InfluenceMap’s <i>database</i> on corporate lobbying. Companies are scored in this category if they miss one case of misalignment (industry associations with Organization Scores 0-50) or more than three cases of “potential” misalignment (industry associations with Organization Scores 51-75 in InfluenceMap’s database).
Monitor & Review	Green	The company has published a review of industry associations on an annual basis, has committed to do so at least once a year, or is/has committed to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company’s alignment and engagement with the industry association concerning these activities.
	Yellow	The company has committed to publish an update to its review of industry associations but not an annual basis or not specified a timeframe.
	Red	The company has not committed to any follow-up processes as part of its review of industry associations.
Act	Green	The company has shown evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap’s <i>database</i> on corporate lobbying. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.
	Yellow	The company has shown some evidence of action to address cases of misalignment with its industry associations and the Paris Agreement, but has not addressed key cases of misalignment or “potential” misalignment identified by InfluenceMap’s <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-75 in InfluenceMap’s database. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.
	Red	The company has shown no or limited evidence of action to address cases of misalignment with its industry associations and the Paris Agreement, missing key cases of misalignment or potential misalignment identified in InfluenceMap’s <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-75. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Action will be scored under this category if it does not include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.

To assist this assessment, InfluenceMap will be applying its database on corporate and industry group climate change lobbying. This tracks in real-time the detailed climate policy lobbying of around 300 companies and 100 industry associations globally, allowing like-for-like comparisons of organizations’ positions on climate policy that are compared to a benchmark of Paris-aligned climate policy. This system can track the evolution of corporate and industry group climate lobbying positions over time.