




Origin Energy

Detailed assessment of Origin Energy’s corporate industry association review

October 2021

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](#).

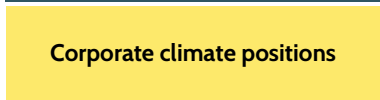

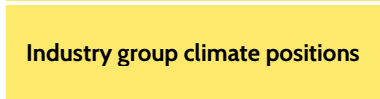

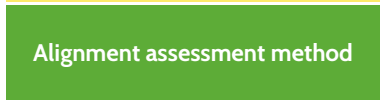
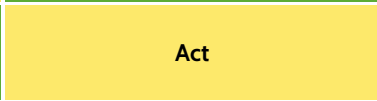
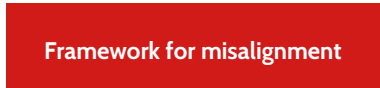
| Key | Explanation |
|---|--|
|  | Has broadly met investor expectations in this area. |
|  | Has made some progress on investor expectations in this area, but with significant deficiencies. |
|  | Has fallen short of investor expectations in this area. |

A summary of Origin Energy’s disclosures on industry associations is shown below. Origin Energy has published three reviews 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 |
|----------------|--------------|
| September 2019 | 21 / 100 |
| August 2020 | 36 / 100 |
| August 2021 | 50 / 100 |

This assessment is based on Origin Energy’s latest disclosure on industry associations and climate lobbying, which can be [found here](#). InfluenceMap’s online profile of Origin Energy, including access to the underlying data which forms this assessment, can be found [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. A more detailed breakdown, along with examples of best practice evidenced by other companies to date, can be found on the following page.

| Disclosure & Transparency | Alignment Process |
|--|--|
|  Corporate climate positions |  Identify & Assess |
|  Industry group climate positions |  Monitor & Review |
|  Alignment assessment method |  Act |
|  Framework for misalignment | |

Origin Energy’s Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, Origin Energy’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

To meet investor expectations under this indicator: 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>Origin Energy</p> | <p>Origin Energy has disclosed a breakdown of its own climate policy positions and influencing activities. For example, Origin Energy has stated that it has encouraged the Australian government to adopt an emissions policy and supports a more ambitious 2030 GHG target. Origin Energy has also stated support for an emissions intensity scheme for the electricity sector. However, the company’s description of its policy positions and engagement activities on specific items of regulation and legislation lacks detail.</p> |
| <p>Best Practice</p> | <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 examples of Shell’s advocacy on its website.</p> |

Industry association climate policy positions and influencing activities

To meet investor expectations under this indicator: 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>Origin Energy</p> | <p>Origin Energy has disclosed an overview of its industry associations’ climate positions and influencing activities, covering each group included in the report. However, this disclosure is broadly focused on top-line climate positions with only a limited discussion of specific policy positions, such as Business Council of Australia’s position on Kyoto credits and Zali Steggall’s Climate Change Bill. The disclosure also appears to overlook detailed negative lobbying by a number of industry associations such as APPEA and Queensland Resources Council.</p> |
| <p>Best Practice</p> | <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.

| | |
|-----------------------------|---|
| <p>Origin Energy</p> | <p>Origin Energy has clearly explained its alignment assessment methodology, stating the conditions for an association to be 'Aligned', 'Partially aligned', 'Misaligned' or 'No response'. The company has also disclosed a clear explanation of how the methodology has been applied to all 22 industry associations included in the scope of the review, with reference to specific statements made by the associations to support it.</p> |
| <p>Best Practice</p> | <p>BASF 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.</p> |

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.

| | |
|-----------------------------|---|
| <p>Origin Energy</p> | <p>Origin Energy has not disclosed clear or detailed steps to address misalignment. The company states that it will seek to influence the industry associations through constructive dialogue and advocacy, and sets out some instances in which it would exit an association. However, the framework does not include an escalation strategy or timelines.</p> |
| <p>Best Practice</p> | <p>BHP 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.</p> |

Policy Alignment Process

| Identify & Assess | |
|---|---|
| <p>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 <i>database</i> on corporate lobbying.</p> | |
| <p><i>Origin Energy</i></p> | <p>In its 2020 review, Origin Energy identified "areas of difference" with three industry associations: APPEA, Business Council of Australia (BCA), Queensland Resources Council (QRC). In its 2021 review, Origin Energy acknowledged improved positions by these groups and found "strong alignment on climate change positions" with all of its key industry associations. The company found some secondary associations to be partially aligned due to a lack of explicit support for the Paris Agreement and/or differing views on the path to net zero and the role of gas and CCS.</p> <p>InfluenceMap analysis indicates that the company likely has four memberships to industry associations misaligned with the Paris Agreement (Queensland Resources Council, APPEA, Business Council of Australia, Australian Industry Greenhouse Network) and three memberships to industry associations potentially misaligned with the Paris Agreement (Australian Energy Council, Gas Energy Australia, Australian Pipelines and Gas Association).</p> |
| <p>Best Practice</p> | <p>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.</p> |

| Monitor & Review | |
|--|--|
| <p>To meet investor expectations under this indicator: 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> | |
| <p><i>Origin Energy</i></p> | <p>Origin Energy has published three industry association reviews since the first in September 2019, with the most recent audit extending from 6 to 22 associations. The updates have identified changes in the associations' climate positions, for example BCA's more progressive position on the use of Kyoto carry-over credits.</p> |
| <p>Best Practice</p> | <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

To meet investor expectations under this indicator: 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 *database* on corporate lobbying. The investor expectations outlined by *PRI*, *IIGCC* and *Ceres* 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.

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Origin Energy has shown evidence of action to address misalignment by suspending its membership to QRC in 2020 following its 'Vote Greens Last' advertising campaign. The company has reinstated its membership to QRC in 2021 after it made key changes to its policies on political lobbying. In its 2021 review, Origin Energy also outlined its engagement efforts with APPEA, BCA and QRC including the outcomes of this engagement. For example, Origin Energy has pushed for greater ambition and clarity on climate action from APPEA and BCA, both of which now explicitly support the Paris Agreement and net zero emissions by 2050. However, 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 & Assess).

Best Practice

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. *Total* announced in January 2021 that it had decided not to renew its membership to the American Petroleum Institute due to divergences on climate positions. *BHP* 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. *Chevron* 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.

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 20 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 |
|--|-------|---|
| Corporate climate policy positions and influencing activities | | 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. |
| Industry association climate policy positions and influencing activities | | 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. |
| Alignment assessment method | | 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). |
| Framework for addressing misalignment | | 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.