

# AGL Energy

## Detailed assessment of AGL Energy’s corporate industry association review

April 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
<span style="background-color: #4CAF50; color: white; padding: 2px;"> </span>	Has broadly met investor expectations in this area.
<span style="background-color: #FFEB3B; color: white; padding: 2px;"> </span>	Has made some progress on investor expectations in this area, but with significant deficiencies.
<span style="background-color: #F44336; color: white; padding: 2px;"> </span>	Has fallen short of investor expectations in this area.




A copy of AGL Energy’s latest disclosure on industry associations and climate lobbying can be [found here](#).

InfluenceMap’s online profile of AGL Energy, including access to the underlying data which forms this assessment, can be found [here](#).

Item	Comment
<b>Corporate climate positions</b>	AGL Energy does not disclose its climate policy positions and influencing activities. The review includes a link to the climate position on its corporate website but this is limited to the company’s operational commitments and high-level statements on climate change.
<b>Industry group climate positions</b>	AGL Energy does not disclose its industry associations’ climate policy positions and influencing activities in its review.
<b>Alignment assessment method</b>	AGL Energy does not disclose a framework for assessing alignment with its industry groups on climate change policy engagement.
<b>Framework for misalignment</b>	AGL Energy does not disclose a framework for addressing potential misalignment with its industry associations on climate change policy engagement.
<b>Identify &amp; Assess</b>	AGL Energy has identified some misalignment with the Queensland Resources Council. InfluenceMap analysis indicates that AGL Energy likely has memberships to one industry association materially misaligned with the Paris Agreement (Queensland Resources Council) and three industry associations potentially misaligned with the Paris Agreement (Australian Energy Council, Australian Industry Group, Business Council of Australia).
<b>Monitor &amp; Review</b>	AGL Energy discloses a commitment to annually review the policy positioning of its industry associations and to disclose material policy differences.
<b>Act</b>	AGL Energy has shown evidence of action to address misalignment by terminating its membership with Queensland Resources Council in 2020. The company has not disclosed steps to address cases of potential misalignment with the Paris Agreement identified by InfluenceMap’s database (see Identify & Assess).

# 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
<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
<b>Identify &amp; Assess</b>		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.
		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 34-66 in InfluenceMap's database).
		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 "material" misalignment (industry associations with Organization Scores 0-33) or more than three cases of "potential" misalignment (industry associations with Organization Scores 34-66 in InfluenceMap's database).
<b>Monitor &amp; Review</b>		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.
		The company has committed to publish an update to its review of industry associations but not an annual basis or not specified a timeframe.
		The company has not committed to any follow-up processes as part of its review of industry associations.
<b>Act</b>		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.
		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 "material" or "potential" misalignment identified by InfluenceMap's <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-66 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.
		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 "material" or "potential" misalignment identified in InfluenceMap's <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-66. 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.