

Rio Tinto

Detailed assessment of Rio Tinto’s corporate industry association review

March 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 Rio Tinto’s disclosures on industry associations is shown below. Rio Tinto has published five 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
2018 (No Date)	7 / 100
2019 (No Date)	21 / 100
2020 (No Date)	21 / 100
February 2021	43 / 100
February 2022	50 / 100

This assessment focuses solely on Rio Tinto’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 activities, which can be found on InfluenceMap’s online profile of Rio Tinto [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 can be found on the following page.

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

Rio Tinto Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, Rio Tinto’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>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>	
Rio Tinto	<p>Rio Tinto’s disclosure of its corporate climate positions and influencing activities in its industry association disclosure is limited to top-line positions covering six broad policy areas, including climate science, carbon pricing, and the Paris Agreement. The review also includes a clear reference to the company’s Climate Change Report and CDP submission. There are no additional disclosures on specific items of regulation and legislation in Rio Tinto’s 2021 Climate Change Report. The 2020 version outlines the company’s advocacy on 2020 legislative consultations in Australia and New Zealand, but this is outdated. Rio Tinto’s 2021 CDP response details its positions on, and engagement with, specific climate-related policies in Europe, Canada, New Zealand, Australia, and South Africa. However, this disclosure is does not appear to have been recently updated, with most disclosures relating to advocacy from 2020 or earlier.</p>
Best Practice	<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>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>	
Rio Tinto	<p>Rio Tinto’s disclosure for the majority of its industry associations is limited to a brief statement of their purpose, with no reference to positions on, or engagement with, specific items of climate-related regulation and legislation. The company has disclosed limited information on coal advocacy by the four misaligned industry associations - National Mining Association, Minerals Council of Australia, Queensland Resources Council, US Chamber of Commerce - but this is limited and does not reference specific climate-related policies. The disclosure therefore overlooks evidence of material and negative lobbying by key industry associations lobbying counter to the Paris Agreement.</p>
Best Practice	<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.

Rio Tinto	Rio Tinto has disclosed an explanation of its alignment assessment methodology, stating that an association will be misaligned if there is a significant policy or advocacy difference with one or more of its six top-line climate positions. However, an explanation of the application of this methodology has only been provided for the four misaligned industry associations - National Mining Association, Minerals Council of Australia, Queensland Resources Council, US Chamber of Commerce - with no details of how the majority of evaluations have been made, leaving ambiguity.
Best Practice	<i>BASF</i> has 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 has to 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.

Rio Tinto	Rio Tinto has disclosed clear and escalating steps for addressing misalignment, including clear deadlines for industry associations which do not amend misaligned practices. The company states that it will clarify its own positions, seek common ground, seek leadership positions to influence associations and consider suspending membership if differences are not resolved after 12 months. .
Best Practice	<i>BHP</i> 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	
<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>	
Rio Tinto	<p>Rio Tinto has identified one case of misalignment with the US National Mining Association (NMA), on support for the Paris Agreement and coal advocacy. Rio Tinto has also found partial misalignment with the Minerals Council of Australia, Queensland Resources Council and US Chamber of Commerce, all related to their advocacy on the use of coal.</p> <p>InfluenceMap analysis indicates that Rio Tinto likely has eight memberships to industry associations with climate policy engagement misaligned with the Paris Agreement (<i>Chamber of Minerals and Energy of Western Australia, National Mining Association, Queensland Resources Council, US Chamber of Commerce, Australian Institute of Petroleum, Minerals Council of Australia, Eurometaux, Australian Industry Greenhouse Network</i>) and six memberships to industry associations with climate policy engagement potentially misaligned with the Paris Agreement (<i>Minerals Council South Africa, Business Council of Australia, CEFIC, European Roundtable of Industry, Mining Association of Canada, Confederation of British Industry</i>).</p>
Best Practice	<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>	
Rio Tinto	<p>Rio Tinto has published annual reviews of its industry association memberships since 2018. In its 2022 disclosure, Rio Tinto provided updates of its engagement with the National Mining Association, Minerals Council of Australia, Queensland Resources Council, and US Chamber of Commerce.</p>
Best Practice	<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.

Rio Tinto

Rio Tinto has shown some evidence of action to address misalignment. The company has outlined its engagement with the four misaligned industry associations - National Mining Association (NMA), Minerals Council of Australia (MCA), Queensland Resources Council (QRC), and US Chamber of Commerce (USCC) - including specific areas of engagement and outcomes. For example, the company states that it has engaged with USCC on misalignments identified in previous disclosures, and that it has now adjusted some of its policy positions including acknowledgement of climate science and support for US participation in the Paris Agreement. Rio Tinto also disclosed that it has successfully pushed NMA to create an ESG taskforce and adopt ESG policy positions. The company also outlines its engagement with MCA and QRC on coal, for example identifying specific examples of advocacy and engaging to seek stronger alignment.

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. Similarly, *General Motors* 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.

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
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.