

EDF

Detailed assessment of EDF’s corporate industry association review

September 2022

This document outlines a detailed breakdown of InfluenceMap’s assessment of the company’s corporate disclosure on industry association climate policy engagement, using the traffic-light assessment framework summarized below. Further detail on the assessment methodology is available in the Appendix, and on our CA100+ Investor Hub [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 EDF’s disclosures on industry associations is shown below. EDF has undertaken 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
May 2022	36 / 100

This assessment focuses solely on EDF’s disclosure on industry associations and climate policy engagement, which can be [found here](#). This assessment does not include an analysis of the company’s direct climate policy engagement, which can be found on InfluenceMap’s online profile of EDF [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	Policy Alignment Process
Corporate climate positions	Identify & Assess
Industry group climate positions	Monitor & Review
Alignment assessment method	Act
Framework for misalignment	

EDF's Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, EDF'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>EDF</p>	<p>EDF has disclosed a detailed breakdown of its own climate policy positions and influencing activities in its industry association review. EDF disclosed its position on a range of predominantly EU-based policies, including: EU Emissions Trading Scheme (ETS) reforms; EU Carbon Border Adjustment Mechanism (CBAM); EU Fit-for-55 package; revision of the EU Energy Efficiency Directive (EED); revision of the Renewable Energy Directive (RED II); EU Taxonomy Regulation; EU Effort Sharing Regulation (ESR); revision of the Energy Taxation Directive (ETD); and the EU Energy Performance of Buildings Directive (EPBD). Furthermore, the company disclosed its influencing activities, predominantly within the EU, outlining its participation in EU public consultations, its 2021 climate policy engagement, and other forms of participation that influenced climate policy.</p> <p>Additional note: EDF's disclosures on its climate policy positions in its industry association review appear to be constrained to European regulations and legislation. However, the company has also engaged on climate-related policies in Virginia, U.S., wherein it <i>supported</i> the state's Regional Greenhouse Gas Initiative, and <i>backed</i> its Clean Cars vehicle fuel economy standards, in a January 2022 letter to the Virginia General Assembly.</p>
<p>Best Practice</p>	<p><i>Shell</i> has disclosed case studies of its direct climate policy engagement in the EU and US. These case studies include Shell's positions on, and engagement with, specific items of EU and US regulation and legislation. The 2022 review also includes clear references to additional resources on Shell's corporate website, including advocacy updates on specific government policy consultations and links to public submissions via the EU Transparency Register and the US Lobbying Disclosure Act.</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.

EDF	EDF has disclosed some details of its industry associations' climate policy positions and influencing activities. EDF has listed the eight associations that have publicly stated their support for the EU's target of reducing emissions by 55% by 2030, as well as Eurelectric's position on taxing utilities in Spain and Romania. In its "EDF relations with trade associations and lobbying process review" document, the company discloses some top-line positions of each association, with two references to specific policies, including the Fit for 55 package and the EU Carbon Border Adjustment Mechanism. However, much of the company's disclosures on industry associations' are limited to top-line positions on the Paris Agreement and the energy transition. As such, the company overlooks evidence of detailed and negative lobbying on specific items of policy by key industry associations (see 'Identify and Assess' below).
Best Practice	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.

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.

EDF	<p>EDF states in its industry association review that it assessed its industry associations' alignment with its "raison d'être", which is "to build a net zero energy future with electricity and innovative solutions and services, to help save the planet and drive wellbeing and economic development". It also stated that it pays particular attention to its trade associations' positions on the Paris Agreement and EDF's Just Transition principles. However, EDF does not elaborate on its alignment assessment method beyond this, including what constitutes a finding of alignment or misalignment, which leaves ambiguity regarding the specific criteria for assessing alignment.</p> <p>The company has disclosed a limited explanation behind each evaluation, including each industry associations' commitments and actions in line with the Paris Agreement and the just transition. However, the explanation provided lacks detail and clarity, which provides limited information regarding how the evaluations were made.</p>
Best Practice	<i>BASF</i> 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.

<p>EDF</p>	<p>EDF has disclosed a framework for addressing potential cases of misalignment with its industry associations. The company states that, where a gap is found between the association's principles and EDF's climate-related commitments, the company provides analysis on the ways it can promote its values while remaining a member of the association. Once complete, EDF states that it will encourage the association to "take a more proactive approach to climate advocacy", and attempt to create change from within. If the company identifies little possibility for change by the industry association, EDF states that it may reassess its membership to the organization, and consider joining new ones. However, EDF does not provide clear deadlines for industry association that do not amend misaligned practices.</p>
<p>Best Practice</p>	<p><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.</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>EDF</p>	<p>EDF does not appear to identify any cases of misalignment with its industry associations.</p> <p>InfluenceMap analysis indicates that the company likely has one membership to industry associations with climate policy engagement misaligned with the Paris Agreement (<i>Confindustria</i>) has five memberships to industry associations with climate policy engagement potentially misaligned with the Paris Agreement (<i>Edison Electric Institute</i>, <i>Confederation of British Industry (CBI)</i>, <i>International Emissions Trading Association (IETA)</i>, <i>Eurogas</i>, <i>Gas Infrastructure Europe</i>). Of these associations, EDF only included IETA in its review. InfluenceMap analysis finds that these associations have engaged negatively on climate-related policies, for example:</p> <ul style="list-style-type: none"> ■ <i>Confindustria</i>: In a March 2022 press release, Confindustria <i>advocated</i> for the temporary suspension of the EU Emissions Trading System, (ETS) to reduce energy prices. The association also <i>did not support</i> an EU Parliament Environment Committee proposal to increase the ambition of the EU ETS reforms in a June 2022 open letter by Energy Intensive Industry's CEOs. Furthermore, in a June 2022 Parliamentary Hearing, Confindustria <i>supported</i> diversifying Europe's energy mix away from dependency on Russian fossil fuels by supporting new liquified natural gas infrastructure. ■ <i>Edison Electric Institute</i>: In an April 2022 Daily Energy Insider article, the association <i>directly advocated against</i> New Hampshire Senate Bill 321 which would incentivize distributed energy generation which commonly involves renewables. Edison Electric also <i>appeared to suggest</i> that the long-term role for fossil gas in the energy mix is desirable in comments submitted to the U.S. Federal Energy Regulatory Commission in April 2022. The association emphasized concerns with the Commission's proposed gas pipeline policy update, which would require the climatic impacts of gas infrastructure projects be considered before the projects receive approval. ■ <i>Eurogas</i>: Eurogas <i>appeared to support</i> weakening the EU Commission's proposal for the Sustainable Finance Taxonomy by supporting the inclusion of fossil gas in a January 2022 joint letter on Gas-based Generation in the EU Taxonomy. In a February 2022 Euractiv article, Eurogas President Didier Holleaux <i>appeared to suggest</i> that EU Methane Regulations for the energy sector should not include measures on imported fossil gas.
<p>Best Practice</p>	<p><i>Enel</i> is the only company to meet investor expectations in this area, identifying all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap's database, although the company does not disclose additional details of why they are not fully aligned. InfluenceMap analysis indicates that most 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>	
EDF	<p>EDF states that it monitors its industry associations, and conducts annual reviews and assessments of their alignment with the Paris Agreement and the Just Transition principles. However, it is unclear if the company will publish these reviews for public view.</p>
Best Practice	<p><i>Shell</i> publishes detailed assessments of its industry association memberships at two-year intervals, with detailed updates on misaligned industry associations each year. Shell has published two full reviews of its industry associations (2019, 2021) and two review updates (2020, 2022). The review updates include actions taken within each industry association, key changes to the associations' climate positions, and detailed next steps. Shell has committed to publish its next update in 2023.</p>

Act	
<p>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 <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>	
EDF	<p>EDF has shown some evidence of action to address misalignments. The company ended its membership to Business Europe in 2020 after an assessment of its alignment with the company's raison d'être, which involves building a "net-zero energy future". The company is no longer a member in 2021. However, EDF does not appear to have addressed key cases of potential misalignment with the Paris Agreement identified by InfluenceMap's database (see Identify & Assess).</p>
Best Practice	<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 60 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 400 companies and 200 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.