

ENGIE

Detailed assessment of ENGIE’s corporate climate policy engagement review

This document outlines a detailed breakdown of InfluenceMap's assessment of the company's disclosure on climate policy engagement. Further detail on the assessment methodology is available in the Appendix, and on InfluenceMap's CA100+ Investor Hub [here](#).

A summary of ENGIE's disclosures on climate policy engagement is shown below. ENGIE has undertaken two reviews of its climate policy engagement to date. The Review Score represents InfluenceMap's overall assessment of the quality of the company's 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
December 2021	43 / 100
May 2023	36 / 100 ¹

This assessment focuses solely on ENGIE's disclosure on climate policy engagement, which can be found [here](#). This assessment does not include an analysis of the company's actual climate policy engagement, which can be found on InfluenceMap's online profile of ENGIE [here](#). The table below provides a breakdown of ENGIE's performance against each of the seven assessment criteria, using the traffic-light assessment framework summarized below.

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.

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

¹ ENGIE's 2023 score is lower due to the company not having disclosed a complete and accurate account of its own climate policy advocacy in the UK (see 'Corporate climate policy positions and influencing activities' for further detail). ENGIE also did not disclose clear deadlines for industry associations which do not amend misaligned practices (see 'Framework for addressing misalignment' for further detail).

ENGIE’s Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, ENGIE’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>ENGIE</p>	<p>In its 2023 review, ENGIE has disclosed its positions on the REPowerEU plan, the EU Renewable Energy Directive, and the “gas package” proposal by the European Commission in May 2022. ENGIE has also provided a link to its company page on the EU Lobbying Transparency Register, where all of its contributions to EU public consultations are linked.</p> <p>However, ENGIE has omitted instances of engagement with specific climate-related regulations. For example, in February 2023 Engie was <i>unsupportive</i> of proposed legislative changes to incorporate an emissions reduction objective into the Australian National Energy Objectives, while supporting separate emissions reduction policy for the electricity sector.</p>
<p>Best Practice</p>	<p><i>Shell</i> has disclosed a detailed breakdown of its own climate policy positions and influencing activities in the EU, US, Canada, Australia, UK, South Africa, and Brazil in its 2023 review. Shell’s 2023 review also provides clear reference to additional resources on Shell’s corporate website, including live advocacy updates in several regions: the UK, Netherlands, Canada, Australia, US, International and EU. This webpage includes its positions on specific policies and links to relevant consultation responses.</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>ENGIE</p>	<p>ENGIE has limited its disclosure on its industry associations’ climate change to two top-line statements on electrification and hydrogen by the European Geothermal Energy Council and the World Energy Council. The company did not provide a breakdown of the other 37 industry associations’ positions on climate regulations and legislation.</p> <p>The company therefore appears to overlook detailed examples of negative climate policy engagement by key industry associations, such as Business Europe, Gas Infrastructure Europe (GIE), and Spanish Confederation of Business Organizations (CEOE) (see Identify & Assess for further details).</p>
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<p><i>Best Practice</i></p>	<p>No companies have met investor expectations in this area, although <i>Shell</i> exhibits current leading practice. Shell has disclosed a detailed account of all key industry associations' climate policy positions, and a summary of their influencing activities. However, it still appears to overlook detailed negative lobbying by a number of industry associations identified by InfluenceMap's database.</p>
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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><i>ENGIE</i></p>	<p>ENGIE has disclosed a clear and detailed methodology to assess alignment with its industry associations based on nine high-level policy positions, including what constitutes a finding of alignment, partial alignment, and non-alignment. However, the company has not provided an explanation of how this framework has been applied to any of the industry associations, with the exception of the two partially aligned groups (European Geothermal Energy Council (EGEC), International Gas Union (IGU)), and an aligned group with one or two criteria not-aligned (World Energy Council). However, these descriptions are not applied to the remaining 36 associations.</p>
<p><i>Best Practice</i></p>	<p><i>Shell</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 clear criteria which were used to categorize the degree of alignment of ENGIE's climate policy positions with the positions of its 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><i>ENGIE</i></p>	<p>ENGIE has disclosed a clear and detailed framework for addressing potential cases of misalignment, including escalation steps and clear deadlines. For partially aligned associations, the company states that it will engage with the association, increase its scale of involvement to reinforce its position, ask for an explicit commitment, and reassess alignment status. For non-aligned associations, the company states that it will terminate its membership but leave open opportunity to renew should the association change its climate-related policy positions. However, ENGIE did not disclose clear deadlines for industry associations which do not amend misaligned practices.</p>
<p><i>Best Practice</i></p>	<p><i>Rio Tinto</i> has disclosed clear and detailed steps for addressing potential misalignment, including an escalation strategy and clear timelines attached. The company states that it will clarify its own positions with misaligned industry associations, seek common ground, seek leadership positions to influence associations, and consider suspending membership if differences are not resolved after 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>ENGIE</p>	<p>ENGIE assessed 39 industry associations in its 2023 review. The company identified 37 cases of alignment, and 2 cases of partial alignment (European Geothermal Energy Council (EGEC), International Gas Union (IGU)). InfluenceMap does not currently cover EGEC on its database.</p> <p>InfluenceMap analysis indicates that ENGIE likely has at least 1 membership to industry associations with climate policy engagement misaligned with the Paris Agreement (<i>BusinessEurope</i>), however ENGIE did not identify this association as misaligned with the Paris Agreement. The company also has at least 12 memberships to industry associations with climate policy engagement potentially misaligned with the Paris Agreement (<i>Eurogas</i>, <i>Gas Distributors for Sustainability (GD4S)</i>, <i>European Round Table for Industry (ERT)</i>, <i>Gas Infrastructure Europe (GIE)</i>, <i>Confederation of British Industry (CBI)</i>, <i>Australian Hydrogen Council</i>, <i>Australian Energy Council</i>, <i>Spanish Confederation of Business Organizations (CEOE)</i>, <i>International Gas Union</i>, <i>Hydrogen Europe</i>, <i>Hydrogen Council</i>, <i>Society of Motor Manufacturers and Traders (SMMT)</i>).</p> <p>InfluenceMap analysis finds some of ENGIE's associations have engaged negatively on climate-related policies, for example:</p> <ul style="list-style-type: none"> ■ <i>BusinessEurope</i>: In a letter to EU Parliament in May 2022 the association was <i>unsupportive</i> of the phase out of free allowances in the EU ETS before 2030. The association was also <i>unsupportive</i> of the FuelEU Maritime initiative and stated that over regulation would cause carbon leakage in a March 2022 newsletter. ■ <i>Gas Infrastructure Europe (GIE)</i>: According to an August 2022 S&P Global article, GIE <i>advocated</i> for the EU to support long-term LNG contracts to promote the long-term role for fossil gas in the energy mix is desirable without placing clear conditions on the deployment of CCS or methane abatement measures. GIE <i>advocated</i> to weaken the EU Methane Regulation for the energy sector in an April 2022 consultation response, taking an <i>unsupportive</i> position on measures for leak detection and repair, venting and flaring thresholds, and the inclusion of imported fossil fuels. ■ <i>Spanish Confederation of Business Organizations (CEOE)</i>: In a May 2022 <i>report</i>, CEOE advocated for 'sufficient' carbon leakage protection measures in the EU Emissions Trading System and an adequate level of free allocation of emissions allowances. In September 2022, the <i>CEOE President</i> did not support environmental taxes on the aviation sector under the Energy Taxation Directive reform, stressing it would be a burden for the competitiveness of the industry.
<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>	
<i>ENGIE</i>	ENGIE has committed to publishing a review of its industry associations on an annual basis.
<i>Best Practice</i>	<i>Rio Tinto</i> has published detailed assessments of its industry association memberships every year, with detailed updates on misaligned industry associations each year. Rio Tinto has published six full reviews of its industry associations, annually from 2018 to 2023. The company has committed to continue reviewing its memberships on an annual basis.

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>	
<i>ENGIE</i>	ENGIE has shown no evidence of action to address specific cases of misalignment with its industry associations. As a result, ENGIE 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).
<i>Best Practice</i>	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>Rio Tinto</i> terminated its membership to Queensland Resources Council in 2022 following findings of misalignment in past reviews, and also outlined detailed actions to be taken at two "partially aligned" industry associations. <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>Fortum</i> has not left any industry associations but has disclosed its engagement on specific climate change policy issues with four industry associations, including details of the results of this engagement in 2022. 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.

Appendix: InfluenceMap’s Methodology for Assessing Corporate Climate Policy Engagement Disclosures

Scoring Disclosures and Policy Alignment Process


InfluenceMap assesses corporate performance against seven assessment criteria, using the traffic-light framework summarized below. A ‘Green’ scores 2 points, a ‘Yellow’ scores 1 point, and a ‘Red’ scores 0 points. This total is converted into a percentage from 0 to 100, calculated using the total number of points available (14). As such, only certain scores within the 0 to 100 range are possible under this methodology.

Key	Score 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 500 companies and 250 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.