

# Rio Tinto

## Detailed assessment of Rio Tinto’s corporate climate policy engagement review

March 2022




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 Rio Tinto’s disclosures on climate policy engagement is shown below. Rio Tinto has undertaken six reviews of its climate policy engagement 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
February 2023	57 / 100

This assessment focuses solely on Rio Tinto’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 Rio Tinto [here](#).

The table below provides a breakdown of Rio Tinto’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	

## Rio Tinto’s 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><b>To meet investor expectations under this indicator:</b> 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>	
<b>Rio Tinto</b>	<p>In its 2023 review, Rio Tinto states that its approach to climate change and energy policy can be found on its <a href="#">website</a>. This disclosure includes links to the company’s government consultation responses to specific climate-related policies from 2020-2023, including the Australian Safeguard Mechanism Reforms, Guarantee of Origin Scheme and Renewable Electricity Certification, Technology Investment Roadmap, New Zealand’s Emissions Trading Scheme, and amendments to NZ’s Climate Change Response Act 2002. Rio Tinto does not appear to have overlooked any material evidence of climate policy engagement.</p>
<b>Best Practice</b>	<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.

<b>Rio Tinto</b>	<p>Rio Tinto's disclosure for the majority of its industry associations is limited to a brief statement of their rationale for membership, with no reference to positions on, or engagement with, specific items of climate-related regulation and legislation. The company has disclosed limited information on positions on the Paris Agreement, coal advocacy, and general carbon tax positions by one 'not aligned' association (National Mining Association), and one 'partially aligned' association (US Chamber of Commerce), but this is limited and does not reference specific climate-related policies.</p> <p>The disclosure therefore overlooks evidence of material and negative lobbying by key industry associations lobbying counter to the Paris Agreement. See Identify &amp; Assess for further details of these associations' climate policy engagement.</p>
<b>Best Practice</b>	<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.

<b>Rio Tinto</b>	<p>Rio Tinto has disclosed a clear and detailed framework for assessing alignment with its industry associations. The company outlines six principles for industry association advocacy, including a detailed breakdown of the criteria for assessing associations as having clear, partial, or no alignment with each principle.</p> <p>However, an explanation of the application of this methodology has only been provided for one 'not aligned' association (National Mining Association), and one 'partially aligned' association (US Chamber of Commerce). Rio Tinto has not disclosed details of how the majority of evaluations have been made, leaving ambiguity regarding how these assessments were made.</p>
<b>Best Practice</b>	<p><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.</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>Rio Tinto</i></p>	<p>Rio Tinto has disclosed a clear framework to address potential cases of misalignment, with clear escalation steps and deadlines for associations that do not amend misaligned practices. The company states that it will clarify its own positions with the industry association, seek common ground, seek leadership positions to influence associations, and consider suspending membership if differences are not resolved after 12 months.</p>
<p><b>Best Practice</b></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><b>To meet investor expectations under this indicator:</b> 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><b>Rio Tinto</b></p>	<p>Rio Tinto assessed 38 associations in its review. The company found 36 associations to be aligned, identified one case of partial alignment with the US Chamber of Commerce, and one case of misalignment with the National Mining Association (NMA).</p> <p>InfluenceMap analysis indicates that Rio Tinto has at least 8 memberships to industry associations misaligned with the Paris Agreement (<i>Eurometaux, Minerals Council of Australia (MCA), Canadian Chamber of Commerce, US Chamber of Commerce, Australian Institute of Petroleum, Chamber of Minerals and Energy of Western Australia (CME), National Mining Association (NMA)</i>), and at least 6 memberships to industry associations potentially misaligned with the Paris Agreement (<i>Mining Association of Canada, Minerals Council South Africa, Australian Industry Greenhouse Network, European Round Table for Industry (ERT), European Chemical Industry Council (Cefic), Business Council of Australia, American Iron and Steel Institute (AISI)</i>). Rio Tinto did not include Australian Institute of Petroleum, Cefic, or AISI in its review.</p> <p>InfluenceMap analysis finds that Rio Tinto’s industry associations have engaged negatively on climate-related policies, for example:</p> <ul style="list-style-type: none"> <li>■ <b>Minerals Council of Australia (MCA):</b> The MCA <i>advocated</i> for measures which risk undermining the effectiveness of Australia’s Safeguard Mechanism Reforms in a September 2022 consultation submission and in February 2023 <i>comments</i> to the Senate Inquiry on the Safeguard Mechanism (Crediting) Amendment Bill 2022. In February 2023, CEO Tania Constable <i>advocated</i> in favor of fossil fuel subsidies, calling for the Australian Government to rule out abolishing the Fuel Tax Credit. In October 2022 the MCA also <i>opposed</i> the introduction of a climate trigger to Australia’s EPBC Act.</li> <li>■ <b>Australian Institute of Petroleum (AIP):</b> In an October 2022 submission to Australia’s National Electric Vehicle Strategy, the AIP <i>supported</i> a longer-term role of ICE vehicles over the rapid electrification of transport in Australia. The AIP also <i>supported</i> several measures that risk weakening the climate ambition of Australia’s Safeguard Mechanism Reforms in its September 2022 consultation response.</li> <li>■ <b>National Mining Association (NMA):</b> In February 2023 comments, CEO Rich Nolan appeared to <i>oppose</i> the US Environmental Protection Agency’s pollution rule. The NMA also <i>advocated</i> against the US Government’s Clean Power Plan on its corporate website, as of February 2023.</li> <li>■ <b>US Chamber of Commerce (US Chamber):</b> In August 2022 comments to the SEC, the US Chamber <i>opposed</i> a rule that would mandate disclosure of investor ESG considerations, suggesting the rule be reconsidered in its entirety. In September 2022 joint comments to the SEC, the US Chamber also <i>advised</i> the SEC against adopting a proposal that seeks to expand shareholder rights.</li> </ul>
<p><b>Best Practice</b></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**

**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.

<b>Rio Tinto</b>	Rio Tinto has published annual reviews of its industry association memberships since 2018. In its 2023 disclosure, Rio Tinto provided updates of its engagement with the National Mining Association, and the US Chamber of Commerce.
<b>Best Practice</b>	<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.

**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.

<b>Rio Tinto</b>	<p>Rio Tinto has shown some evidence of action to address misalignment. Following Rio Tinto’s finding of misalignment with the Queensland Resources Council in its 2022 review, the company decided not to renew its membership to the association in 2022. The company has also outlined its engagement with two associations, the National Mining Association (NMA) and the US Chamber of Commerce. For example, the company states that it has advocated for the NMA to create an ESG taskforce to guide its positioning on climate-related matters, and that Rio Tinto will continue working towards better alignment of NMA policy. The company has also previously engaged with the US Chamber on significant policy differences, which have since been adjusted.</p> <p>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 &amp; Assess).</p>
<b>Best Practice</b>	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>Rio Tinto</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
<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.
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 450 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.