

# RGP launches the sequence to the **RGP Energy Governance Index**

*RGP will release the sequence to the 2012 RGP Energy Governance Index issued this year. The outcome of the 2012 research concluded that European, and in particular Dutch energy providers, should be more transparent on their corporate governance. The index becomes more interesting when comparing several years, enabling us to distil patterns and developments.*

The Resources Governance Index is about transparency of companies regarding their corporate governance. Each company can score a maximum of 100 points to be divided on the components compliance, capacity and commitment. Compliance is observing the legislation and regulations. Capacity is about effectiveness (for example how often do which officers participate in the Board meeting?), reliability (size, composition and independence of the Board and Executive Committee) and the performance. Commitment is about actual investment in society, people and sustainability. Furthermore, organizations may receive a maximum bonus of 5 percent for openness.

In a European context, the Italian Enel Energia, the Swedish Vattenfall and the Spanish Iberdrola had the highest score in 2012. In the Netherlands, Nuon takes the pole position with Eneco and HVC as the runners up. "From our research, it is apparent that Dutch energy providers are less transparent and less open than other European energy providers", is the conclusion of Hans Wichink, Managing Director Energy and Utilities of RGP. "Among the Dutch energy providers, a clear division between two groups emerges. On one hand, the energy providers with adequate and publicly accessible accountability. On the other, energy providers - generally subsidiaries of European energy companies - with minimum reporting

## **Boasting**

The 2012 research also showed that the mutual comparability between the surveyed energy providers in Europe has significant room for improvement. "The reporting standards for energy providers in each European country differ widely in terms of transparency, completeness and data presentation." Also striking: Dutch energy providers' reporting on social investments scores lower than their European counterparts.

"Dutch energy providers tend to not boast about their social involvement and sustainability. They seem to think being modest is a golden rule. Dutch companies are generally more 'do-minded', which implies that accountability on social investment is practical and low-profile."



**RGP**  
**Governance Index**

**RGP Energy Governance Index**  
**2012**

**RGP™** **RGI**  
RESOURCES GOVERNANCE INDEX

## **Taking things more seriously**

This, however, does not imply that the surveyed company have inadequate corporate governance. "They are just not transparent. This can mean one of two things: either the relevant control instruments are missing, or the energy providers refrain from communicating publicly about it."

We are very curious to see how the energy providers have developed compared to the first time. The report will be published latest in January 2014.