

The Climate Accountability Scorecard: BP

The Union of Concerned Scientists has conducted an in-depth analysis of the climate change–related positions and actions of several major investor-owned fossil fuel companies.

The eight companies—Arch Coal, BP, Chevron, ConocoPhillips, CONSOL Energy, ExxonMobil, Peabody Energy, and Royal Dutch Shell—were assessed on 30 metrics.

The study focused on the period from January 2015 through May 2016 (except in a few cases; see sources in the tables below).

We scored the companies in four areas, which are discussed below. For each area, we placed each company in one of five scoring bands, ranging from “advanced” (which means that the company is demonstrating best practices) to “egregious (which means that the company is acting very irresponsibly).

While some companies are making more progress than others, no company scored better than its peers in all areas, and several were relative leaders in some areas and relative laggards in others.


- Renouncing disinformation on climate science and policy scores ranged from fair to egregious.
- Planning for a world free from carbon pollution scores ranged from fair to egregious.
- Supporting fair and effective climate policies scores ranged from good to poor.
- Fully disclosing climate risks had the least differentiation, with four companies scoring fair and four companies scoring poor.

Scores and Recommendations for BP

HIGHLIGHTS

- BP consistently acknowledges the scientific evidence of climate change in all public platforms and also affirms the consequent need for swift and deep reductions in emissions from the burning of fossil fuels (see, for example, BP PLC 2016d).

TABLE 1. BP Company Overview

	Global producer, refiner, and marketer of oil and natural gas.
Location of Headquarters	London, England
Executive Chairman	Carl-Henric Svanberg
CEO	Bob Dudley
2015 Annual Revenues	\$225.982B
2015 Annual Loss	(\$6.400B)

DATA SOURCE: BP PLC. 2016A

- BP recommended support for a climate-related shareholder resolution in 2015 directing the company to improve reporting on climate risk, emissions management, and portfolio resilience (BP PLC 2015c).
- The company left the American Legislative Exchange Council (ALEC), which serves as an important conduit for climate science disinformation and policy proposals designed to block climate action, in 2015 (CMD 2016).
- BP provides a detailed analysis of existing and proposed laws and regulations relating to climate change and their possible effects on the company, including potential financial impacts (BP PLC 2016c).
- The company consistently identifies a price on carbon as a general category of climate policy that it supports (see, for example, BP PLC 2016d).

LOWLIGHTS

- The chairman and president of BP America, John Mingé, was on the board of directors of the American Petroleum Institute (API) as of 2014 and is on the National Association of Manufacturers (NAM) board of directors as of 2016 (NAM 2016; API 2015). BP has not taken any

steps to distance itself from climate disinformation spread by the API or NAM.

- BP is a member of the Western States Petroleum Association (WSPA) as of 2016 (WSPA 2016), and Northwest Fuels Value Chain President Jeff Pitzer, now retired, was a member of WSPA’s board of directors as of 2014 (Ballotpedia 2015). In response to a question at BP’s 2016 annual meeting about the misleading tactics of WSPA in opposing California’s proposed limits on carbon emissions from cars and trucks, CEO Bob Dudley said, “of course we did not support that particular campaign” (Rouse 2016); however, BP has not taken concrete steps to distance itself from climate disinformation spread by WSPA.
- BP generally acknowledges physical risks to the company, including “adverse weather conditions,” but does not include discussion of climate change as a contributor to those risks (BP PLC 2016c).
- BP has no company-wide plan for reducing emissions of heat-trapping gases.

should use its leadership roles within the API, NAM, and WSPA to push them to end their disinformation on climate science and policy, and speak publicly about these efforts; this would translate its statement about not supporting WSPA’s anti-climate campaign in California into meaningful action;

- Lay out a company-wide pathway to align its business model with the new reality established by the international climate agreement by:
 - Disclosing emissions resulting from the company’s operations and the use of its products;
 - Setting and disclosing initial near-term company-wide targets to reduce emissions from its operations and the use of its products;
 - Developing and publicly communicating a clear plan and timeline to deepen emissions reductions consistent with the international climate agreement’s long-term goal;
- Provide details about the nature and magnitude of climate-related physical risks it faces and the impacts these may have on the company;
- Consistently call for US policy action on climate change, identify specific federal and/or state legislation or regulation that the company supports, and advocate publicly and consistently for those policies.

RECOMMENDATIONS

BP SHOULD:

- Ensure that the trade associations and industry groups it supports do not disparage climate science or downplay the need for reductions in greenhouse gas emissions. It

DETAILED SCORING

More information on scoring can be found at www.ucsusa.org/climatescorecard

TABLE 2. Renouncing Disinformation on Climate Science and Policy

Metric	Score	Rationale
Accuracy and consistency of public statements on climate science and the consequent need for swift and deep reductions in emissions from the burning of fossil fuels	Good	BP consistently acknowledges the scientific evidence of climate change in all public platforms (such as company websites and statements by company executives), and also affirms the consequent need for swift and deep reductions in emissions from the burning of fossil fuels. (See, for example, BP PLC 2016d and; BP PLC 2015a.)
Affiliations with trade associations and other industry groups that spread climate science disinformation and/or block climate action		
American Legislative Exchange Council (ALEC)	Good	The company left ALEC in 2015 but did not specifically cite climate change as its reason for leaving (Westervelt 2015).

American Petroleum Institute (API)	Egregious	Chairman and President of BP America John Mingé was on the API board of directors as of 2014 (API 2015), and the company has not taken any steps to distance itself from climate disinformation spread by the group.
National Association of Manufacturers (NAM)	Egregious	Chairman and President of BP America John Mingé is on the NAM board of directors as of 2016 (NAM 2016), and the company has not taken any steps to distance itself from climate disinformation spread by the group.
US Chamber of Commerce (US Chamber)	Fair	No evidence of membership.
Western States Petroleum Association (WSPA)	Egregious	BP is a member as of 2016 (WSPA 2016). Northwest Fuels Value Chain President Jeff Pitzer, now retired, was a member of the WSPA board of directors as of 2014 (Ballotpedia 2015). In response to a question at BP's 2016 annual meeting about WSPA's misleading tactics in opposing California's proposed limits on carbon emissions from cars and trucks, CEO Bob Dudley said, "of course we did not support that particular campaign" (Rouse 2016); however, BP has not taken concrete steps to distance itself from climate disinformation spread by WSPA.
Policy, governance systems, and oversight mechanisms to prevent disinformation	Poor	No policy on record.
Support for climate-related shareholder resolutions	Good	The company recommended support for a climate-related resolution in 2015 directing it to improve reporting on climate risk, emissions management, and portfolio resilience (BP PLC 2015c).
Area score	Poor	

DATA SOURCES: COMPANY WEBSITES, PROXY STATEMENTS, PUBLIC STATEMENTS BY COMPANY REPRESENTATIVES, TRADE ASSOCIATION AND INDUSTRY GROUP WEBSITES, AND THIRD PARTY WATCHDOG GROUP WEBSITES IN THE PERIOD JANUARY 1, 2015, TO MAY 31, 2016; TRADE ASSOCIATION FEDERAL FILINGS FROM 2014

TABLE 3. Planning for a World Free From Carbon Pollution

Metric	Score	Rationale
Support for the Paris Climate Agreement	Fair	BP has expressed support for the Paris Climate Agreement and its global temperature goals, both directly and through its membership in the Oil and Gas Climate Initiative (BP PLC 2016a; BP PLC 2016e; OGCI 2015).
Company-wide commitments and targets to reduce greenhouse gas emissions	Egregious	BP has no company-wide plan for reducing greenhouse gas emissions.
Use of an internal price on carbon in investment decisions	Fair	The company has set a cost assumption of \$40 per tonne of CO ₂ -equivalent for larger projects in industrialized countries (BP PLC 2016c). It is unclear whether the price is applied to all components of the supply chain.
Commitment and mechanism to measure and reduce carbon intensity of supply chain	Fair	The company signed on to the World Bank's "Zero Routine Flaring by 2030" pledge (World Bank 2015).
Disclosure of investments in low-carbon technology research and development	Fair	The company reports annually on low-carbon research and development broken down by specific investments and as a proportion of the total research and development budget (BP PLC 2016c).

Disclosure of greenhouse gas emissions reduction plans	Poor	BP does not disclose details of its greenhouse gas emissions reduction plans to shareholders.
Disclosure of how company manages greenhouse gas emissions and associated risks	Poor	The company mentions energy efficiency efforts and reduction of natural-gas flaring, but does not provide detailed descriptions of these efforts (BP PLC 2016b; BP PLC 2016c).
Disclosure of greenhouse gas emissions	Fair	BP provides information about direct greenhouse gas emissions from its operations as well as indirect greenhouse gas emissions from the consumption of purchased electricity, heat, and steam for the current year, and describes the methodology used to calculate emissions. However, disclosure of other indirect emissions, such as purchased goods and services, waste generated in operations, and other transport-related costs, is very limited (BP PLC 2016b; CDP 2015).
Area score	Poor	

DATA SOURCES: 2015 AND 2016 SEC 10-KS OR 20-FS, CDP DISCLOSURES, SUSTAINABILITY REPORTS, AND ANNUAL REPORTS; COMPANY WEBSITES AND COMPANY PRESS RELEASES FOR THE PERIOD JANUARY 1, 2015, TO MAY 31, 2016

TABLE 4. Supporting Fair and Effective Climate Policies

Metric	Score	Rationale
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Disclosure	Fair	BP's policy is not to make political contributions from corporate funds and not to give to candidates, parties, and committees. It provides partial disclosure or no disclosure of other aspects of political spending.
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Policy	Advanced	The company's policy is not to make political contributions from corporate funds and not to give to candidates, parties, and committees. It has a partial policy or no policy in other areas related to political spending.
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Oversight	Poor	The company's policy is not to make political contributions from corporate funds and not to give to candidates, parties, and committees. It has partial or no oversight in other areas related to political spending.
Engagement with Congress on federal climate policies or legislation	Fair	BP did not publicly engage Congress on climate policies during the study period.
Consistent support for US policy action to reduce emissions	Fair	The company consistently calls for a government carbon policy framework, including a price on carbon, as a policy it supports (BP PLC 2016d).
Engagement on the EPA Clean Power Plan (EPA-HQ-OAR-2013-0602)	Fair	The company did not submit comments to the Environmental Protection Agency (EPA) regarding the Clean Power Plan.
Engagement on the EPA methane rule (EPA-HQ-OAR-2010-0505-4776)	Good	The company submitted comments on the EPA methane rule, but only suggested technical changes (it criticized a technology-specific paradigm). It did not oppose the rule directly (BP PLC 2015b).

Company influence through international or national business alliances or initiatives that are supportive of specific climate policies	Good	The company is a member of the Oil and Gas Climate Initiative (OGCI 2015).
Area score	Good	

DATA SOURCES: COMPANY WEBSITES AND MAJOR NEWS SOURCES IN THE PERIOD JANUARY 1, 2014, TO MAY 31, 2016; 2015 CENTER FOR POLITICAL ACCOUNTABILITY-ZICKLIN INDEX AND SCORING GUIDELINES; CONGRESSIONAL TESTIMONY AND COMPANY COMMENTS FILED WITH REGULATIONS.GOV IN THE PERIOD JANUARY 1, 2014, TO MAY 31, 2016

TABLE 5. Fully Disclosing Climate Risks

Metric	Score	Rationale
Disclosure of regulatory risks	Good	BP provides a detailed analysis of existing and proposed laws and regulations relating to climate change and their possible effects on the company, including potential financial impacts (BP PLC 2016c).
Disclosure of physical risks	Poor	BP generally acknowledges physical risks to the company, including “adverse weather conditions,” but does not include discussion of climate change as a contributor to those risks (BP PLC 2016c).
Disclosure of market and other indirect risks and opportunities	Fair	The company discusses projected future demand for fossil fuels as well as risks and opportunities related to renewable energy, but provides limited analysis of the potential financial impacts of changes in the energy market for the company (BP PLC 2016c).
Disclosure of corporate governance on climate-related risks by board and senior management	Egregious	BP provides no disclosure of corporate governance on climate issues.
Area score	Fair	

DATA SOURCES: 2016 SEC 10-KS AND 20-FS AND CDP DISCLOSURES, IF DISCUSSED IN SEC FILINGS

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NATIONAL HEADQUARTERS
Two Brattle Square
Cambridge, MA 02138-3780
Phone: (617) 547-5552
Fax: (617) 864-9405

WASHINGTON, DC, OFFICE
1825 K St. NW, Suite 800
Washington, DC 20006-1232
Phone: (202) 223-6133
Fax: (202) 223-6162

WEST COAST OFFICE
500 12th St., Suite 340
Oakland, CA 94607-4087
Phone: (510) 843-1872
Fax: (510) 843-3785

MIDWEST OFFICE
One N. LaSalle St., Suite 1904
Chicago, IL 60602-4064
Phone: (312) 578-1750
Fax: (312) 578-1751