

## Trade associations review – initial findings

### Introduction

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At the 2019 AGM, Helge Lund said BP would review our trade association relationships as they related to the energy transition and report back in 2020.

The month before the AGM, we published *BP's participation in trade associations*. This document set out our principles for participation and policy positions on climate change and the energy transition. These principles were in line with the expectations set out by the Institutional Investor Group on Climate Change (IIGCC).

As this is the first time BP has conducted a group-wide review of trade associations, we have tried to develop a process that is rigorous, consistent and fair. We have reviewed alignment of our climate policy positions with 34 key associations – those identified as the most material. They were selected as:

- Associations actively involved in the climate debate and salient to stakeholders.
- Those associations in regions where the debate is mainly focused, including North America, Europe and Australia.

### Background

Several of our peer companies are active in this area. BHP, Shell and Total have already produced reports, and we are aware of activity in the pipeline from Equinor and Eni.

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This paper reports on our preliminary findings – together with an explanation of the methodology used for this review.

We plan to provide to the Board in late January. The current working proposal is to publish our findings as a separate report externally alongside our sustainability report in late March 2020. The precise format and content of this publication is still to be worked and agreed.

## Methodology

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## Principles for review

The following principles were used for the review of policy positions:

- Review should be rigorous, consistent and fair/objective.
- Although assessment has been undertaken with current association and BP positions, we tried to recognize the pace of change in the area.
- Assessment used current and recent (two-years maximum) association positions, statements and information around policy input available in the public domain.
- All sources had to be referenced (using footnotes to enable checking and further investigation).
- Silence on an issue has been recorded as ‘no position’.
- Initial desk research was undertaken by an independent third party – BSR.
- Judgements on alignment or otherwise were then made by a cross-functional BP team.
- To date, relationship holders have been involved in the data gathering and assessment part of the process.
- Consideration of implications and any remedial actions would also consider alignment and value to BP of the association, which is likely to be in areas other than solely climate (such as safety or product stewardship).

## Preliminary findings

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### Overall assessment of alignment

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An association has been deemed **partially aligned** if:

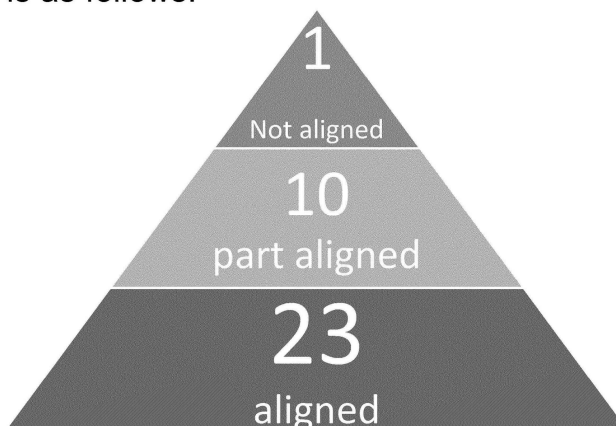
- It has remained silent in terms of Paris or climate science.

- Has positions that do not satisfy the definition of alignment in one or more areas (i.e., would be classed as partially aligned – no position is acceptable).
- Has no position in most areas.

Associations deemed **not aligned** will have stated opposition to BP positions in any particular area, with limited balancing support in others.

### Preliminary distribution of results

Based upon this assessment process the preliminary overall distribution is as follows.



### Preliminary analysis of results

To better understand the implications and possible actions arising we conducted a further assessment with regional representatives to gauge value of the membership to the local or regional BP business and level of influence BP has a part of that association (measured by size of membership and our status within the association).

These have been plotted on the following page as a 2x3 matrix using a series of action-orientated categories.



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## Insights and recommended actions

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- There are clear regional differences particularly with respect to US associations.
- With respect to differences, our overall approach should be to engage proactively with associations to explain our position, collaborate and encourage alignment.

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Appendix 1: Detailed findings

The following table provides an overall status and jurisdiction for each association.

Association	Jurisdiction	Initial assessment/ issues found
Australian Industry Greenhouse Network (AIGN)	Australia	<b>Aligned</b>
Australian Institute of Petroleum (AIP)	Australia	<b>Partially aligned</b> No position on Paris or climate science; has taken a different position to BP on biofuels.
Australian Petroleum Production & Exploration Association (APPEA)	Australia	<b>Aligned</b>
Business Council of Australia (BCA)	Australia	<b>Aligned</b>
Canadian Association of Petroleum Producers (CAPP)	Canada	TBC – aligned or partially aligned; counted as aligned in numbers.
Business-Europe	Europe	<b>Aligned</b>
European Chemical Industry Council (CEFIC)	Europe	<b>Aligned</b>
European Round Table for Industry (ERT)	Europe	<b>Aligned</b>
Fuels Europe	Europe	<b>Aligned</b>
Bundesverband der Deutschen Industrie (BDI)	Germany	TBC – aligned or partially aligned; counted as aligned in numbers.
Mineralölwirtschaftsverband (MWV)	Germany	<b>Aligned</b>
Verband Der Chemischen Industrie (VCI)	Germany	<b>Aligned</b>
International Air Transport Association (IATA)	Global	<b>Aligned</b>
International Association of Oil and Gas Producers (IOGP)	Global	<b>Aligned</b>
International Emissions Trading Association (IETA)	Global	<b>Aligned</b>
International Gas Union (IGU)	Global	<b>Aligned</b>
IPIECA	Global	<b>Aligned</b>
Oil and Gas Climate Initiative (OGCI)	Global	<b>Aligned</b>
World Business Council on Sustainable Development (WBCSD)	Global	<b>Aligned</b>
Vereniging Nederlandse Petroleum Industrie (VNPI)	Netherlands	<b>Aligned</b>
VNO-NCV	Netherlands	<b>Aligned</b>
Club Espanol de la Energia (Spanish Energy Club)	Spain	<b>Partially aligned</b> No position on Paris.
Spanish Association of Petroleum Products Operators (AOP)	Spain	<b>Aligned</b>
Confederation of British Industry (CBI)	UK	<b>Aligned</b>
Oil & Gas UK (OGUK)	UK	<b>Aligned</b>

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## Non-US associations only:

Trade Association	P1: Paris Agreement	P2: Climate Science	P3: Rapid Transition	P4: Emissions and Gas	P5: Price on Carbon	P6: Improving Energy	P7: Using new Tech	P8: Natural Solutions
Australian Industry Greenhouse Network (AIGN)	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED
Australian Institute of Petroleum (AIP)	LIKELY ALIGNED	NO POSITION	NO POSITION	PART ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED
Australian Petroleum Production & Exploration Association (APPEA)	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	NO POSITION	NO POSITION
Bundesverband der Deutschen Industrie (BDI)	NEEDS FURTHER R...	NO POSITION	NO POSITION	PART ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION
Business Council of Australia (BCA)	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	NO POSITION	NO POSITION
Business-Europe	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION
Canadian Association of Petroleum Producers (CAPP)	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	NEEDS FURTHER RE...	NEEDS FURTHER ...	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED
Club Espanol de la Energia (Spanish Energy Club)	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	NO POSITION	NO POSITION
Confederation of British Industry (CBI)	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION
European Chemical Industry Council (CEPIC)	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION
European Round Table of Industrialists (ERT)	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	NO POSITION	NO POSITION	NO POSITION
Fuels Europe	NO POSITION	NO POSITION	NO POSITION	LIKELY ALIGNED	NEEDS FURTHER ...	NEEDS FURTHER R...	LIKELY ALIGNED	NEEDS FURTHER R...
IATA	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED
International Association of Oil and Gas Producers (IOGP)	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION
International Emissions Trading Association (IETA)	LIKELY ALIGNED	LIKELY ALIGNED	NEEDS FURTHER ...	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED
International Gas Union (IGU)	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION
IPIECA	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED
Mineral��wirtschaftsverband (MWV)	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION
Oil & Gas UK (OGUK)	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION
Oil and Gas Climate Initiative (OGCI)	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED
Spanish Association of Petroleum Products Operators (AOP)	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	NO POSITION
Verband der Chemischen Industrie (VCI)	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NEEDS FURTHER RE...	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED
Vereniging Nederlandse Petroleum Industrie (VNPI)	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION
VNO-NCW	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	NO POSITION	LIKELY ALIGNED	NO POSITION
World Business Council on Sustainable Development (WBCSD)	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED	LIKELY ALIGNED

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