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From: Hicks, Joshua[o=ExchangeLabs/ou=Exchange Administrative Group
(FYDIBOHF23SPDLT)/cn=Recipients/cn=[REDACTED]]
Sent: Mon 02/08/2021 8:49:22 PM (UTC)
Subject: RE: FOR REVIEW: Statement for Financial Times

Redacted - First Amendment

Thanks,

Josh Hicks

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Fossil fuel groups step up lobbying of SEC to dilute climate reporting rules

Patrick Temple-West and Myles McCormick in New York AUGUST 2 2021

The oil and gas industry is stepping up lobbying efforts to dilute looming rules that mandate climate change disclosures, in a sign of the fierce corporate resistance to a tougher new US environmental regime.

Lobbying reports show greater arm-twisting at the Securities and Exchange Commission, both by individual companies and industry groups as the regulator drafts mandatory climate-related financial disclosures. Some companies are coming to the SEC for the first time, according to Senate lobbying disclosures.

Gary Gensler, SEC chair, this week said he wanted the agency to put forward its proposals for mandatory climate reporting — intended to provide investors with consistent and comparable information to evaluate companies' climate risks — by the end of the year.

“When it comes to climate risk disclosures, investors are raising their hands and asking regulators for more,” he said on Thursday. “I think we can bring greater clarity to climate risk disclosures.”

Refiner Phillips 66 and oilfield services group Baker Hughes this year started lobbying the SEC for the first time, the reports show. Both groups listed climate disclosures as their sole SEC lobbying issue.

Others — including ConocoPhillips, the world's largest independent producer, and the US wing of British supermajor BP — restarted lobbying the SEC this year after steering clear of the agency for seven and five years respectively. Trade groups have also intensified their lobbying efforts.

“We are having — and plan to have additional — conversations,” said Stephen Comstock, vice president of corporate policy at the American Petroleum Institute, the industry's most powerful Washington lobby group. “The dialogue is good and the questions are solid. So I consider them to be valuable conversations for sure.”

The API said it wanted the SEC to spare companies from having to report climate disclosures in annual 10k reports where the legal liability is greater for them. It is also concerned about the practicalities of reporting indirect emissions — those from the burning of fuels by customers. Gensler said the SEC was weighing whether to require disclosures on these so-called scope 3 emissions.

“To appropriately address liability considerations,” any new climate-related disclosures should be “not filed” in regulatory documents, said oil major Chevron in a June letter to the SEC.

BP also said in a letter to the regulator that new rules should allow companies to determine the most appropriate methodology for calculating emissions from their own operations. The company said in a statement that it supported the SEC adopting new disclosure requirements for climate change.

Baker Hughes declined to comment, as did Phillips 66. ConocoPhillips did not respond to requests for comment.

President Joe Biden has promised to treat climate change with a sense of urgency. The president in May directed Janet Yellen, Treasury secretary, to work with the other members of the Financial Stability Oversight Council, which includes the SEC, to report how they plan to “reduce risks to financial stability”.

Gensler is also facing pressure to deliver US climate reporting rules before the UN climate change conference, known as COP26, in November.

Oil and gas lobbying groups have argued that the SEC risked straying beyond its mandate if it required climate information that was not deemed “material” to investors.

The materiality question would underpin any potential corporate-funded lawsuit to stop the climate rules after the SEC finalises them, sources have said. The API has previously sued the SEC to stop regulations aimed at oil and gas companies.

The oil and gas sector's lobbying to dilute the SEC's rules come as these companies are scrambling to portray themselves as eco-friendly amid the boom in environmental, social and governance investing.

“It would be disappointing to learn that companies that have said that they are self-proclaimed leaders in addressing climate change are trying to block common sense disclosure rules on that same issue,” said Andrew Logan, senior director for oil and gas at Ceres, a non-profit which coordinates investor climate action.

“There’s a critical need for the SEC just to set very basic guidelines requiring companies to disclose their emissions in the standardised way.”

From: Hicks, Joshua

Sent: Friday, July 30, 2021 2:34 PM

To: Streett, Mary <[REDACTED]@bp.com>

Cc: Fielder, JP <[REDACTED]@bp.com>; Magallanes, Downey <[REDACTED]@bp.com>

Subject: FOR REVIEW: Statement for Financial Times

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From: Myles McCormick <[REDACTED]@ft.com>

Sent: Friday, July 30, 2021 10:20 AM

To: Hicks, Joshua <[REDACTED]@bp.com>

Subject: FT Article

Hi Josh,

Hope all is well.

We're doing a piece on industry lobbying of the SEC over the upcoming proposals on climate change disclosures.

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Senate lobbying disclosures [show](#) BP America lobbying the SEC for the first time since 2015 this year, specifically regarding "Issues related to climate risk disclosure".

Can you provide any details about what you were asking for or what your concerns over the new rules are?

If you want to comment can you get back to me by the close of business today.

Best,

Myles

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