



Our participation
in trade
associations:
Climate

26 February 2020

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Cautionary statement

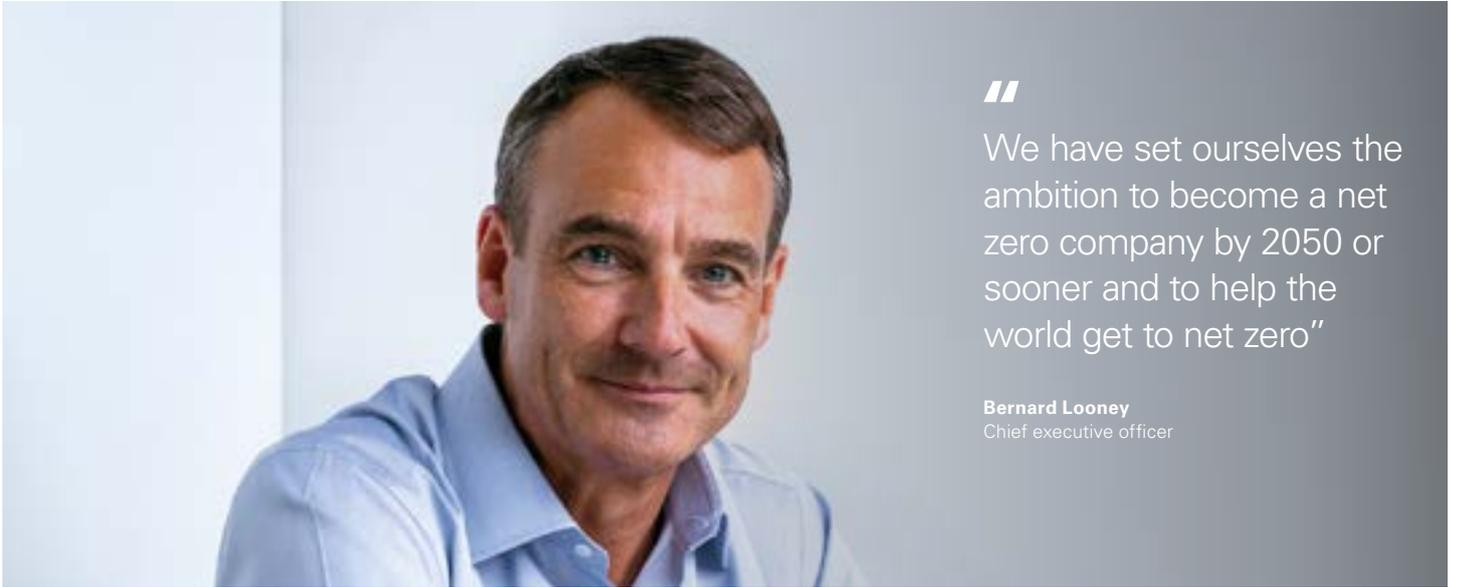
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Our most recent Annual Report and Form 20-F and other period filings are available on our website at www.bp.com, or can be obtained from the SEC by calling 1-800-SEC-0330 or on its website at www.sec.gov

Introduction

Supporting our new purpose and ambition



At BP we have adopted a new purpose, to **reimagine energy for people and our planet**.

And to turn this purpose into reality we have set ourselves the ambition **to become a net zero company by 2050 or sooner and to help the world get to net zero**. This ambition is underpinned by 10 aims: five to help BP get to net zero and five to help the world get to net zero.

This is a bold vision and one we know we cannot achieve alone. We will need support from partners, investors, policy makers, customers – and trade associations. Some people, I know, will doubt our intentions and be reluctant to offer support. I understand their concerns. Too many people believe that we say one thing and do another. They point to past examples – such as on carbon pricing or methane regulation – where it seems like our public statements and our actions are at odds. I get it.

If BP is to stand a chance of achieving our ambition, then we have to earn back people’s trust. That is why, when we set out the five aims underpinning our ambition to help the world get to net zero, we made three of them essentially about trust:

- Aim 6 is to more actively advocate for policies that support net zero, including carbon pricing. And we will be redirecting resources away from corporate reputation advertising to support this aim.
- Aim 8 is to set new expectations for our relationships with trade associations. This report is the first step along that road.
- Aim 9 is to be recognized as an industry leader for the transparency of our reporting. And we intend to develop good practices and standards for transparency, working constructively with respected independent bodies such as the Task Force on Climate-related Financial Disclosures.

Our approach to BP’s membership of trade associations

As we begin to pursue these aims, it is important that we are clear on our positions and expectations. And that we are transparent and fair to all those who may be impacted by our actions. That is why I have written to our major trade associations to clarify BP’s position on climate change:

- We support the goals of the Paris Agreement;
- Our ambition is to become a net zero company by 2050 or sooner, and to help the world get there too. We intend to actively advocate for policies that support this ambition;
- We support transparency – especially on lobbying and advocacy.

We believe this is an ambitious and progressive approach to the energy transition and will pursue opportunities to work collaboratively with trade associations who share it.

We will be respectful of others’ views and perspectives. Where differences arise we will seek to influence from within. This may take time. Ultimately, if we reach an impasse, we will be transparent in publicly stating those differences. And on major issues, if our views and those of an association cannot be reconciled then we will withdraw our membership. We would do so while remaining open to further dialogue and the possibility of working together again in the future if we can do so constructively.

Achieving more together

Today’s report is a small but important step towards rebuilding trust in BP. We have assessed the alignment between our position on climate change and the energy transition and the views held by 30 of our key trade associations. Here we set out our findings, including our intention to leave three of those 30 associations where we have been unable to reconcile our views.

The research behind this report has confirmed my belief that while lots of work on climate issues is already underway within trade associations, there is much more for us to do together. Our industry is at its best when we work together to solve big challenges. Throughout my career I have seen the incredible impact we have had by collaborating on issues such as safety and broader standards. The challenge ahead for our sector – and for our trade associations – is how we work together to support the world with a rapid low carbon transition.

We don’t have all the answers at BP. We know that we have much to learn from others and we will only make progress through honest and constructive dialogue. My hope is that in the coming years we can add climate to the long list of areas where we as an industry work together for a greater good.

Bernard Looney
Chief executive officer
26 February 2020

Executive summary

Of 30 associations, we found 22 aligned with our positions, five partially aligned and three not aligned – which we have decided to leave

BP is a member of many trade associations around the world. We believe these memberships can provide significant benefits – from contributing to the development of equipment, operating and safety standards through to working with regulators, knowledge sharing and professional development.

Some trade associations engage in lobbying and advocacy on matters which they consider to be important to their members.

Policy positions taken by a trade association on any topic are often a compromise or majority view, arrived at through their individual decision-making processes. Members may have widely differing views. Consequently, our position and that of a specific trade association are unlikely to correspond all the time.

We assess and encourage alignment when we join and on an ongoing basis. Our priority is to work to influence within trade associations, but we may publicly dissent or resign our membership if there is material misalignment on high-priority issues.

In 2019, we conducted a review of how key trade associations' climate-related activities and positions align with our own. We used a review process that we consider to be rigorous, consistent, objective and fair. We selected 30 associations on the basis that they are actively involved in energy policy discussions and salient to stakeholders. These associations are concentrated in North America, Europe and Australia.

Associations were assessed based on current and recent policy positions. Using publicly available information, they were deemed to be aligned, partially aligned or not aligned based on an assessment of positions and activities in seven categories.

Our position on climate change and the energy transition

We believe that the world is clearly not on a sustainable path and requires a rapid transition to a lower carbon energy system.

The following statements represent our high-level position on climate change and the energy transition. These were used as the basis for our review of trade associations' positions and activities.

1. **Paris Agreement** – we support the goals of the 2015 Paris Agreement on climate change.
2. **Climate science** – we recognize the Intergovernmental Panel on Climate Change (IPCC) as the primary source of information on climate science.

In addition, to meet the Paris goals, we believe that BP and the world must take strong action on a range of fronts:

3. **Reducing emissions** – rather than promoting one fuel as the answer.
4. **Carbon pricing** – putting a price on carbon to help drive action in an efficient and cost-effective way.
5. **Energy efficiency** – improving energy efficiency, where the greatest reductions in emissions can be achieved.
6. **Technology** – using and deploying new technologies, such as carbon capture, use and storage.
7. **Carbon offsets** – utilizing natural climate solutions through land-use projects and the role of offsets.

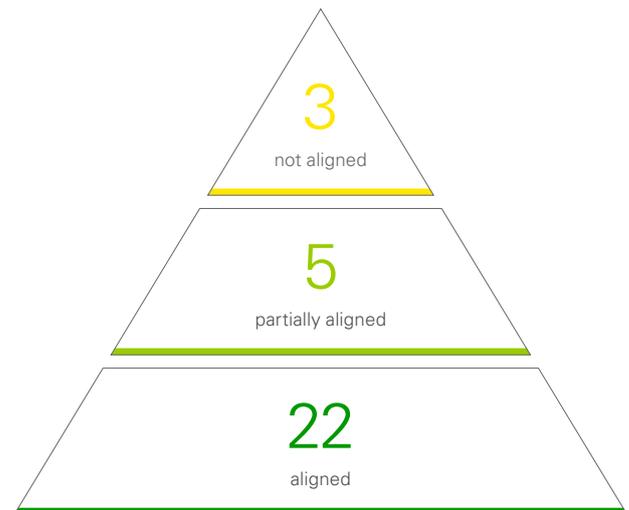
- We found 22 associations to be aligned, five partially aligned and three not aligned. In planning subsequent action, we considered a variety of factors including value to BP and our ability to influence.
- As a result of this review, we are leaving three associations (AFPM, WEA and WSPA).

This review has provided a useful platform from which to look at the data, governance and delegations relevant to our trade association memberships and participation, and how we work together going forward. As a result, we will look to further strengthen our systems and governance.

We have communicated our expectations to all associations included in this review.

As appropriate, we will provide periodic updates internally to our board of directors and to stakeholders. We plan to undertake another review in around two years' time.

We found 22 associations to be aligned, five partially aligned and three not aligned



Summary findings table – for further details see page 7

Not aligned

Associations deemed not aligned are those which we found to have stated opposition to BP positions with limited balancing support in other areas. Associations in this category are:

American Fuel and Petrochemical Manufacturers (AFPM)

AFPM collaborated with its members over the past year to support changes to its climate policy. While we are encouraged by this progress, BP and AFPM's views on carbon pricing are at odds and currently we have no areas of full alignment. As a result, we have decided to resign our membership.

Western Energy Alliance (WEA)

We have decided not to renew our membership with WEA due to material differences around the federal regulation of methane and due to BP's divestment of assets in the states in which the organization is active.

Western States Petroleum Association (WSPA)

BP has decided to resign its membership in WSPA as a result of material differences regarding policy positions on carbon pricing.

Partially aligned

An association has been assessed as partially aligned if we found alignment with BP positions in some or most areas. In practice, we deemed this to be the case if:

- One or more positions are assessed as partially aligned; and/or
- We found no position on Paris or climate science; and/or
- We found no position on most positions.

Associations in this category are:

American Petroleum Institute (API)

API took significant steps in 2019 to revise its climate position. The new position and corresponding climate policy principles have shifted a great deal and the association is now more closely aligned.

Although we have some areas of difference in terms of climate policy, we have worked closely with API on these recent changes and we will continue to do so as its climate position progresses. We will continue to make the case for our views on methane and broader climate policy within and outside of API.

Australian Institute of Petroleum (AIP)

AIP acknowledges climate science, but does not have a strong position on this topic or acknowledge the role of the IPCC. The association has no strong position on the Paris Agreement.

We have communicated these potential misalignments and our expectations to AIP. We are actively working with the association and its other members to support progress of these positions.

Canadian Association of Petroleum Producers (CAPP)

CAPP has not publicly supported federal and provincial carbon pricing frameworks in Canada.

We have communicated this potential misalignment and our expectations to association leadership and to those BP employees who work with CAPP. We are actively working with the association and its other members to support an evolution of these positions.

National Association of Manufacturers (NAM)

NAM's climate policy has changed a great deal and the association is now more closely aligned.

We have communicated potential misalignments and our expectations on climate policy to the association's leadership and those within BP who work with the NAM.

US Chamber of Commerce

The US Chamber has made significant progress in the area of climate in 2019, particularly in recognizing the Paris Agreement.

We have communicated potential misalignments and our expectations on climate policy to the association's leadership and to those BP employees who work with the US Chamber.

Aligned

An association was deemed to be aligned if we found it to have:

- Aligned positions on Paris and climate science; and
- No significant misalignments in other areas; and
- Limited areas where we found no position.

Associations in this category are:

- Australian Industry Greenhouse Network (AIGN)
- Australian Petroleum Production & Exploration Association (APPEA)
- Business Council of Australia (BCA)
- BusinessEurope
- European Chemical Industry Council (Cefic)
- European Round Table for Industry (ERT)
- FuelsEurope

- Bundesverband der Deutschen Industrie (BDI)
- Mineralölwirtschaftsverband (MWV)
- Verband der Chemischen Industrie (VCI)
- International Air Transport Association (IATA)
- International Association of Oil and Gas Producers (IOGP)
- International Emissions Trading Association (IETA)
- International Gas Union (IGU)
- IPIECA
- Oil and Gas Climate Initiative (OGCI)
- World Business Council on Sustainable Development (WBCSD)
- Vereniging Nederlandse Petroleum Industrie (VNPI)
- VNO-NCW
- Spanish Association of Petroleum Products Operators (AOP)
- Confederation of British Industry (CBI)
- Oil & Gas UK (OGUK)

The role of trade associations

BP is a member of many trade associations around the world. We join them, in part, so that our views on a variety of topics can be considered

We share our perspective on emerging policy issues with the trade associations we belong to, where we believe our contribution will benefit BP and the wider discussion of an issue.

We believe that being a member of a trade association can provide significant benefits, beyond engaging in the policy debate. These aren't generally available to non-members. For example:

- Supporting the understanding of issues, including different views and perspectives. For example, IPIECA run workshops for members on a wide range of topics.
- Contributing to the development of equipment, operating and safety standards. For example, the American Petroleum Institute (API) sets industry standards for engineering equipment that are referenced globally.
- Developing and sharing knowledge and promoting good practice.
- Providing input and expert advice on behalf of the sector to regulatory bodies and institutions.
- Supporting professional development.

We generally consider several factors when joining trade associations and reviewing our existing memberships, including:

- Alignment with our business purpose, ambition, focus areas, activities and positions.
- The value of our participation or implications of not being involved.
- The potential for us to influence.
- The presence of appropriate arrangements with respect to anti-trust and competition law.
- Financial and time commitments.

Types of trade association

Trade associations can be broadly grouped as:

- General or multi-sectoral business associations.
- Sector-specific industry associations.
- Issue-specific associations.

They can be global, regional, national or local in scope. Each association generally has its own legal status, governance arrangements and membership requirements, and its specific activities may be influenced by its social, political and legal environment.

Advocacy and lobbying

Open and well-informed debate between governments, businesses, investors, academic bodies, non-governmental organizations and wider society plays a vital role in supporting the development of public policy and solutions.

From BP's perspective, we co-operate and engage with governments, regulators and legislators on the development of proposed policy that is relevant to our business and seek to engage constructively and positively. These policies can be relevant to us in a wide range of areas – from tax and employment issues to safety and advancing the energy transition. We seek to support policy that is well-designed to be sufficient, clear, stable, predictable, comprehensive and economically efficient in order to deliver society's goals at least cost. We also seek to support policy that aligns and supports our position. In the case of the energy transition, our position is set out on page 3.

We make disclosures under the relevant laws within the jurisdictions in which we operate. For example, BP is registered in the Transparency Register of the European Union and we make disclosures under the US Lobbying Disclosure Act (LDA).

Some trade associations also engage in lobbying and advocacy on matters which they consider to be important to their members, or to the issues or sector which they represent.

Policy differences and review

We understand that positions taken on any topic by a trade association are often a compromise or majority view, arrived at through their individual decision-making processes, with the potential for widely differing views among their membership. Consequently, we may share our perspective on emerging policy themes with a specific trade association, but as one member among many, we do not expect to dictate what they write or say.

Our position and that of a specific trade association are therefore unlikely to correspond all the time, but we do try to find alignment by:

- Assessing respective positions when we join.
- Ongoing monitoring.
- Active engagement within the association as appropriate – for example, during periods of new policy formulation.
- Focused reviews of key trade associations' view on key positions.

We monitor our memberships of associations, and the positions or campaigns they undertake, to enable us to consider whether our memberships remain appropriate. We may publicly dissent from a trade association position or resign our membership if there is material misalignment on high-priority policy issues.



Working with IOGP to provide industry Life-Saving Rules

Trade associations play a significant role in areas other than climate. Depending on the association, these activities cover topics ranging from human rights and social investment programmes to engineering standards and safety guidance.

Safety is our core priority at BP, and we work with others in our industry to help drive improvements and share good practice within many of our trade associations.

One example is the International Association of Oil & Gas Producers' (IOGP) work in the area of process safety. In 2010, IOGP published their Life-Saving Rules to mitigate risk and reduce fatalities across the oil and gas industry. The rules were derived from analysis of data shared by IOGP members which included details of 1,484 fatal incidents between 1991-2010. IOGP analysis of this data found that, by

following these simple rules, around 70% of these fatalities could have been prevented. The rules were simplified in 2018 based on the most recent data.

While member companies obviously benefit from their own safety programmes, there is greater clarity and effectiveness to be gained in standardization – especially given that around 80% of the upstream workforce are contractors who may work for several different companies.

The Life-Saving Rules are a good example of how trade associations support improvements in performance in critical areas across the industry. BP and other member companies derive significant benefit from this work which can save lives.

I For further information: iogp.org/life-savingrules

Review methodology

We used a rigorous process to assess 30 key associations – those involved in climate and salient to stakeholders

In 2019, we conducted a group-wide review of how key trade associations' climate-related activities and positions align with our own. We used a review process that we consider to be rigorous, consistent, objective and fair. The review covered 30 trade associations, selected on the basis that they are actively involved in energy (including climate) policy discussions and salient to stakeholders. These associations are concentrated in North America, Europe and Australia.

Assessment of associations was undertaken using current statements, positions and information around policy input available in the public domain. In general, the positions assessed were from the beginning of 2018 until the time of publication.

Process for review

Our review followed the following process:

1. Engagement with internal teams to agree on associations in scope for this review.
2. Further engagement with internal teams and representatives of those businesses working with in-scope associations to gather information including: level of BP involvement, focus areas, BP representation in governance and direction on possible areas of investigation and source materials.
3. A third-party consultancy undertook information gathering and desk research; the output of this research was validated by the relevant business representatives. This work concluded in 2019.
4. Initial assessment of alignment was made by the core project team.
5. Decisions on the assessment of alignment were made by a multi-disciplinary team including representatives from strategy and policy, investor relations, both regional and central external affairs teams, and with input from business representatives.
6. Assessment of the value to BP of participation was made by the same multi-disciplinary team.
7. Once these assessments were complete, the output was used as a basis to discuss appropriate action.
8. Output of this process was reviewed by members of our executive team and board of directors.

Assessment of alignment

Associations that were deemed to be **aligned** were those which we found to have:

- Aligned positions on Paris and climate science; and
- No significant misalignments in other areas; and
- Limited areas where we found no position.

An association has been assessed as **partially aligned** if we found alignment with BP positions in some or most areas. In practice, we deemed this to be the case if:

- We assessed one or more positions as partially aligned; and/or
- We found no position on Paris or climate science; and/or
- We assessed most positions as no position.

Associations deemed **not aligned** were found to have stated opposition to ours in any area, with limited balancing support found in others.

Assessment of value to BP

Following assessment of alignment, we considered the broader value of each association in turn, by looking at the full range of activities undertaken and the associated benefits to BP. This involved consideration of activity other than climate and energy policy – for example, activities in the areas of safety and engineering standards.

We also considered our ability to influence – with reference to representation on their executive committee or board and the experience of those working with the organizations in question.

Action planning

Once we completed assessment of alignment, value and ability to influence, the data gathered was used as a framework to support action planning. Those associations of greater value to BP require greater effort than those of lower value. We used the following matrix to support these discussions.

Not aligned	CONSIDER POSITION	ACTIVE ENGAGEMENT (with specific expectation set)
Partially aligned	MONITOR AND ASSESS	ACTIVE ENGAGEMENT
Aligned	MAINTAIN	MAINTAIN ENGAGEMENT
	< Lower value	Higher value >

For those associations deemed to be not aligned, possible action ranges from consideration of our membership (and potentially leaving) to setting specific expectations around change supported by active engagement from those within BP working with the association in question. In this review, in instances where this is the case, we decided to leave.

For those associations deemed to be partially aligned, we have formally communicated potential misalignments we found and our expectations to association leadership and those within BP who work with the association. When we have a difference of opinion, we often share our perspective publicly. Where our participation in associations was found to be of lower value, we will monitor and assess the situation moving forward. For those of higher value, we seek to engage actively to persuade and influence activity and positioning to better align with our own.

For those associations deemed as aligned, we have formally communicated our expectations to association leadership and those within BP who work with the organization in question.

Limitations of this review

The views and conclusions expressed in this review are those of BP. We have endeavoured to provide a consistent and fair summary of the positions of each association included in the scope of this review, but recognize that the nature of a review of policy positions and activity necessarily involves interpretation, judgement and opinion.

In designing the methodology for this review, we set out specific, relatively high-level BP positions and compared trade association positions to those. We took this approach for reasons of rigour, consistency and objectivity. However, we have recognized that this approach has its limitations. Not every climate-related issue is necessarily covered by the positions we have set out; and some areas of potential alignment or misalignment may arise at a level of detail or nuance not readily captured by this approach.

Evidence-based review

The review is based on publicly available information such as reports, websites, policy submissions and quotes by organization spokespersons in media sources.

Findings

We found 22 associations to be aligned, five partially aligned and three not aligned

In this review we have assessed the climate positions and activities of 30 key associations. These vary in geographical focus with four focused on Australia, 12 on European countries or the European Union, seven on North America and seven are global.

We assessed seven high-level climate policy positions, as listed on page 3. Alignment and differences were observed within high-level principles (for example, the absence of a policy in support of the Paris goals) through to specific policy practice (for example, around methane policy). We observed differing levels of alignment for different policy areas with the greatest level of alignment being support for the goals of the Paris Agreement. The least aligned was relating to natural climate solutions and the role of offsets, which was primarily driven by a lack of position on the topic by most associations.

A table showing the breakdown of position and status follows.

i Details of these positions are on page 3.

	Aligned	Partially aligned	Not aligned	No position
Paris Agreement	26			4
Climate science	23	2		5
Reducing emissions	22	3	1	4
Carbon pricing	21	2	2	5
Energy efficiency	20	1		9
Technology	23	2		5
Natural climate solutions and carbon offsets	11	1		18

We found five associations to be partially aligned: American Petroleum Institute (API), Australian Institute of Petroleum (AIP), Canadian Association of Petroleum Producers (CAPP), National Association of Manufacturers (NAM) and the US Chamber of Commerce.

Many of these organizations recently revised their climate positions. While we are encouraged by this progress, we seek further alignment and we will actively engage with these associations as they work to apply these positions in practice.

Three associations were found to be not aligned – American Fuel and Petrochemical Manufacturers (AFPM), Western Energy Alliance (WEA) and Western States Petroleum Association (WSPA). We have decided to leave these associations.

In the following section we have provided further details for those associations deemed as not aligned or partially aligned.

Associations deemed as not aligned

American Fuel and Petrochemical Manufacturers (AFPM)

AFPM is the US trade association representing the refining and petrochemical industries. A variety of issues are covered by the organization, including health, safety and environment, tax and trade, transportation and more.

We have representation on the organization’s board of directors and executive committee, as well as several policy and technical working groups.

Alignment of climate activities and positions

AFPM collaborated with its members over the past year to support changes to its climate policy. BP participated in this effort, presenting our views and activities to advance the energy transition to the AFPM Executive Committee. While we are encouraged by AFPM’s progress, we are misaligned in activities to progress state-level carbon pricing programmes in the absence of a US national policy.



Our Cherry Point refinery is located in Blaine, WA

Supporting carbon pricing in Washington State

BP has long advocated that a well-designed carbon price provides the right incentives for everyone – energy producers and consumers alike – to play their part in reducing emissions. It makes energy efficiency more attractive and makes low carbon solutions, such as renewables, more competitive.

We have supported carbon pricing policies globally using our carbon pricing principles to guide us. We are part of the Carbon Pricing Leadership Coalition, which works to promote carbon pricing worldwide, and we were a founding member of the Climate Leadership Council, who advocate for carbon pricing in the US. We are also a founder and member of the International Emissions Trading Association (IETA) who advocate for emissions-trading solutions globally.

BP also supports carbon pricing at a state level in the US. We supported California’s Assembly Bill 398 in 2017, along with WSPA, which extended the state’s cap and trade programmes. In our view, this was a well-designed carbon pricing policy.

A year later, BP and WSPA each decided to oppose Washington State Initiative 1631. We shared WSPA’s belief that this proposal was poorly designed as it arbitrarily exempted many of the state’s highest emitters, failed to pre-empt other state and local carbon regulations and, if enacted, would have made creating a well-designed programme in the region more difficult.

Unlike WSPA, we currently support Washington State Senate Bill 5981 – a well-designed cap and invest programme that will create greater policy certainty and send clear signals to the Washington business community. We have done this through a range of activity – from providing expert input to local policymakers to advertising support. We hope this translates into success in Washington and look forward to working with policymakers on the upcoming Oregon proposal.

i Find out more about our carbon pricing principles: bp.com/carbonpricing

Aligned: None.

Partially aligned: Reducing emissions, energy efficiency, technology.

Not aligned: Carbon pricing.

No position: Paris Agreement, climate science, natural climate solutions and offsets.

Action

Member companies, including BP, worked closely with AFPM leadership to make significant changes to the organization's climate position in 2019. Until the publication of this report, BP was hopeful to remain a member and continue influencing from within. It is apparent, however, that BP and AFPM's views on advocacy, especially the implementation of carbon pricing are at odds and currently we have no areas of full alignment. Therefore, BP has decided to resign its membership.

Western Energy Alliance (WEA)

WEA is an upstream association, active in the western US (Arizona, Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming). The organization's focus is broad, including water, wildlife, public lands access, national monuments, air quality and methane.

BP does not have representation on the WEA board of directors or executive committee.

Alignment of climate activities and positions

We found misalignment with WEA in the area of methane regulation. WEA opposes the direct federal regulation of methane, which BP supports.

Aligned: None.

Partially aligned: Technology.

Not aligned: Reducing emissions (methane).

No position: Paris Agreement, climate science, carbon pricing, energy efficiency, natural climate solutions and carbon offsets.

Action

BP has decided not to renew its membership in WEA. This is due to a misalignment on federal methane regulation and asset divestments in the states in which WEA is active.

Western States Petroleum Association (WSPA)

WSPA is an organization representing upstream and downstream operators in five western US states – Arizona, California, Nevada, Oregon and Washington. WSPA is focused on state legislation, regulations and policy in areas including climate policy, safety, land use, tax, marine and rail.

WSPA is the only oil and gas trade organization engaged at state level in Washington, Oregon and California.

BP has a representative on the board of directors. BP also participates in technical and policy committees.

Alignment of climate activities and positions

We have recent and developing differences in the area of carbon pricing. While our positions were aligned on the 2018 Washington State (WA) carbon pricing proposal (Initiative 1631), since then the majority of WSPA members have twice chosen (2019 and 2020 legislative sessions) not to pursue what we consider to be a well-designed carbon price framework (cap and trade Senate Bill 5981, which BP supports).

Most recently, WSPA has focused organizational capability and resources on stopping a state-wide low carbon fuel standard (LCFS) initiative. We disagree with this position.

Aligned: Technology, natural climate solutions and carbon offsets.

Partially aligned: None.

Not aligned: Carbon pricing.

No position: Paris Agreement, climate science, energy efficiency, reducing emissions.

Action

Our efforts to align positions on carbon pricing have been unsuccessful, despite our being well engaged in the association. Consequently, we have decided to resign this membership.

This action will leave BP without state-level oil and gas trade membership in the region, which may negatively impact our ability to successfully engage on other important issues. We feel, on balance, that this is the right decision at the present time. We will look to manage any risks by continuing to monitor our engagement and relationships in the states covered by WSPA.

Associations deemed as partially aligned

American Petroleum Institute (API)

API is the only national trade association that represents members from across all parts of the oil and natural gas industry in the US – upstream, midstream and downstream. It is the major standard-setting organization for the industry in areas such as safety, fuels and emissions. BP derives a great deal of benefit across a broad range of topics from our API membership.

BP participates in API policy and technical committees, as well as the board of directors and executive committee.

Alignment of climate activities and positions

API took significant steps in 2019 to revise its climate position. The new position and corresponding climate policy principles have shifted a great deal and the association is now more closely aligned with BP. While API's opposition to the direct federal regulation of methane is contrary to BP's position, API is taking action to encourage a reduction in methane emissions through their Environmental Partnership programme. BP has made its position on methane regulation clear with API and publicly.

Aligned: Paris Agreement, technology, energy efficiency.

Partially aligned: Reducing emissions (methane), natural climate solutions and offsets.

Not aligned: None.

No position: Climate science, carbon pricing.

Action

Although we have some areas of difference in terms of climate policy, we have worked closely with API on recent changes and we will continue to do so as its climate position evolves.

We have communicated these findings and our expectations to the association's leadership and to employees in BP who work with API. We will continue to make the case for our views on methane and broader climate policy within and outside of API.

Australian Institute of Petroleum (AIP)

AIP represents Australia's petroleum products industry with a focus on operating efficiently, economically and safely, in line with applicable environment and community standards. BP is one of four core members and derives broad value from AIP.

We are represented on the association's board and participate in policy and technical committees.

Alignment of climate activities and positions

AIP acknowledges climate science, but does not have a strong position on this topic or acknowledge the role of the IPCC. The association has no strong position on the Paris Agreement.

Aligned: Reducing emissions, carbon pricing, energy efficiency, technology.

Partially aligned: Climate science.

Not aligned: None.

No position: Paris Agreement, natural climate solutions and offsets.

Action

We have communicated these findings and our expectations to AIP. We are actively working with the association and its other members to support an evolution of these positions.

Canadian Association of Petroleum Producers (CAPP)

CAPP is the Canadian upstream oil and gas association, representing producers and associate members from across all Canadian provinces and territories. Key focus issues are climate, market access and province-related issues in areas where we are active, such as Alberta.

BP holds a seat on the board and is involved in technical and policy committees.

Alignment of climate activities and positions

Although CAPP does not explicitly support the goals of the Paris Agreement, it does see climate change as an important global issue and supports Canada's plan of action. The association takes an outcome-focused approach and is supportive of action to tackle methane emissions. CAPP has not publicly supported federal and provincial carbon pricing frameworks in Canada.

Aligned: Paris Agreement, climate science, reducing emissions, technology.

Partially aligned: Carbon pricing.

Not aligned: None.

No position: Energy efficiency, carbon offsets.

Action

We have communicated this potential misalignment and our expectations – in terms of climate policy alignment – to association leadership and to those BP employees who work with CAPP.



We are deploying advanced technology to help prevent methane from entering the atmosphere

Acting on methane

We've been working globally to reduce the amount of methane entering the atmosphere – from deploying advanced technologies through to collaborating with others in the sector to share best practices across the industry.

In the US, BP has long advocated for well-designed regulations to complement voluntary efforts to address methane emissions. From an efficiency standpoint, a single set of regulations created by the Environmental Protection Agency (EPA) would be preferable to a patchwork of regulations created by multiple federal or state agencies. But not all of our trade associations agree with us. For example, API does not support the direct federal regulation of methane. As a result, we have shared our view publicly. We will, however,

continue to support API's work to drive down methane emissions through the Environmental Partnership.

We're taking a leadership role in how we're working with our peers, non-governmental organizations and academic institutions to address methane. BP is a member of the OGCI, which brings together 13 of the world's largest energy companies and has set up a \$1 billion investment fund to address climate issues including methane. And, along with many of our trade associations, we're also a signatory to the Methane Guiding Principles, leading efforts to implement best practice guidelines across the natural gas value chain.

i Find out more about our position on federal regulation of methane bp.com/methane

National Association of Manufacturers (NAM)

NAM is the largest manufacturing association in the US, representing small and large manufacturers in every industrial sector and across all 50 states. The association addresses a number of topics important to BP – from workforce development, to tax and trade, to broader regulatory reform.

BP does not have representation on the board of directors. BP participates in a variety of NAM policy committees.

Alignment of climate activities and positions

NAM's climate policy has changed in recent months and is now more aligned with BP. The organization supports the objectives of the Paris Agreement and has a set of climate principles to guide its approach moving forward.

Aligned: Paris Agreement, energy efficiency, reducing emissions, natural climate solutions and carbon offsets, technology.

Partially aligned: Carbon pricing.

Not aligned: None.

No position: Climate science.

Action

We have communicated these findings and our expectations on climate policy to the association's leadership and those within BP who work with NAM.

US Chamber of Commerce

The US Chamber of Commerce (Chamber) is a broad-based business organization representing employers across all sectors in the US. It is also active internationally. BP derives value from the Chamber's focus on a broad range of topics from environment and agriculture to international affairs.

BP participates in a variety of the Chamber's policy committees and programmes. BP does not participate on the board of directors.

Alignment of climate activities and positions

The Chamber made progress on its climate change position in 2019. This includes supporting US participation in the Paris Agreement as well as calling on policymakers to act on climate. Additionally, the Chamber has launched a Task Force open to its entire membership to inform its approach on climate policy proposals.

Aligned: Paris Agreement, energy efficiency, technology.

Partially aligned: Climate science, reducing emissions.

Not aligned: None.

No position: Carbon pricing, natural climate solutions and carbon offsets.

Action

We have communicated these findings and our expectations on climate policy to the association's leadership and to those BP employees who work with the US Chamber.

Associations deemed as aligned

The activities and positions of the following associations have been deemed as aligned with ours. We will continue to work with them all and monitor alignment going forward.

- Australian Industry Greenhouse Network (AIGN)
- Australian Petroleum Production & Exploration Association (APPEA)
- Bundesverband der Deutschen Industrie (BDI)
- Business Council of Australia (BCA)
- BusinessEurope
- Confederation of British Industry (CBI)
- European Chemical Industry Council (Cefic)
- European Round Table for Industry (ERT)
- FuelsEurope
- International Air Transport Association (IATA)
- International Association of Oil and Gas Producers (IOGP)
- International Emissions Trading Association (IETA)
- International Gas Union (IGU)
- IPIECA
- Mineralölwirtschaftsverband (MWW)
- Oil and Gas Climate Initiative (OGCI)
- Oil & Gas UK (OGUK)
- Spanish Association of Petroleum Products Operators (AOP)
- Verband der Chemischen Industrie (VCI)
- Vereniging Nederlandse Petroleum Industrie (VNPI)
- VNO-NCW
- World Business Council on Sustainable Development (WBCSD)

Next steps

At BP we have adopted a new purpose, to reimagine energy for people and our planet. And to turn this purpose into reality we have set ourselves the ambition to become a net zero company by 2050 or sooner and to help the world get to net zero. This ambition is underpinned by 10 aims: five to help BP get to net zero and five to help the world get to net zero.

Building on our aims, and the principles we set out last year in BP's participation in trade associations, this review provides a platform from which to look at the data, governance and delegations relevant to our memberships and participation. We will look to further strengthen our systems and governance in this area.

On an ongoing basis, we will actively monitor our memberships, participation and alignment. We will make the case for our views on climate change within the associations of which we are members to encourage alignment and will be more transparent about differences where they arise. And if our views cannot be reconciled, we will be prepared to share our views publicly or part company where progress is best served by doing so. We will actively pursue opportunities to work collaboratively with those who share an ambitious approach to the energy transition. We have written to our major trade associations – those in scope of this review – to clarify BP's position on climate change:

- We support the goals of the Paris Agreement;
- Our ambition is to become a net zero company by 2050 or sooner, and to help the world get there too. We intend to actively advocate for policies that support this ambition;
- We support transparency – especially on lobbying and advocacy.

We plan to provide periodic updates internally, to our board of directors and to stakeholders as appropriate.

We also plan to undertake another review in around two years' time.

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