

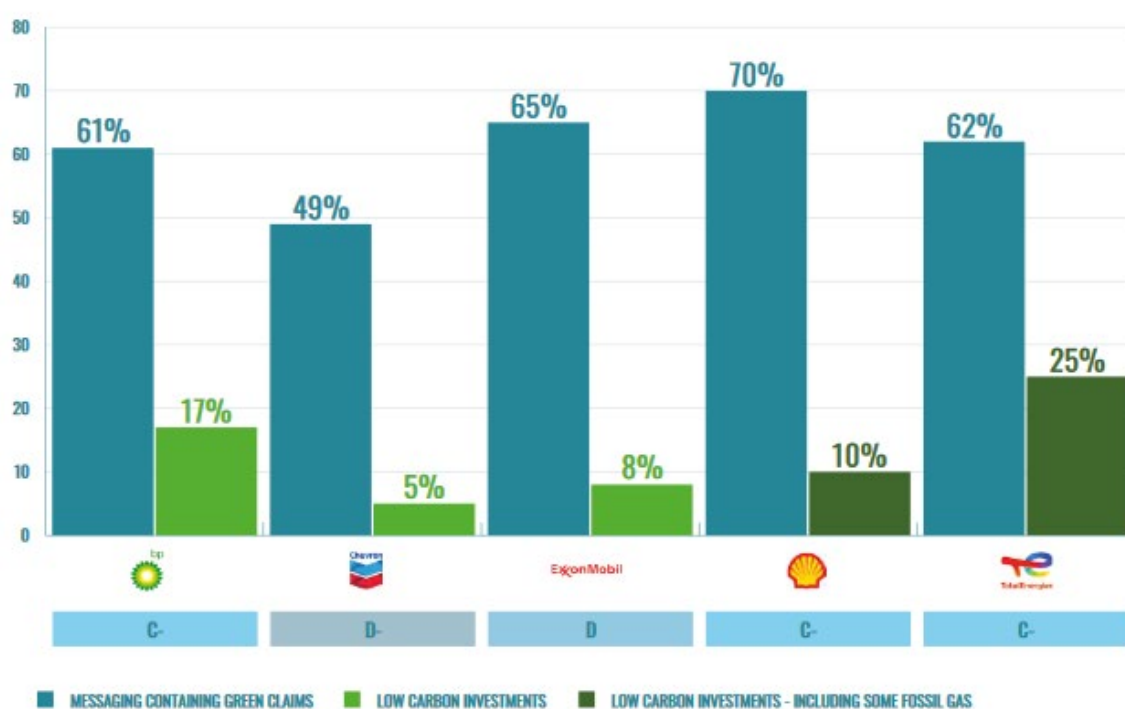
BP and Shell's Policy Engagement is the Real Metric for their Climate Strategy

March 2023

Overview

InfluenceMap's data on the climate policy engagement activities of Shell PLC (referred to hereon as Shell) and BP have consistently showed the disconnect between the companies' top line climate statements (the latter of which has been remarkably positive in recent years) and their actual behavior towards the all-important details of global climate and energy policy – without which, company commitments to net zero become increasingly harder to achieve. Recent roll backs by BP and further commitments to oil and gas from Shell suggest actual climate policy engagement on the crucial details of emerging rules and regulations is a far more accurate proxy for corporate thinking on climate, rather than top line statements or long-term transition plans.

Big Oil's Green Claims vs Green Investments and Policy Engagement



BP and Shell's Recent Policy Engagement

Both BP and Shell have voiced their support for a transition to a low carbon economy. For instance, InfluenceMap's 2022 report '[Big Oil's Real Agenda](#)' found that 70% of Shell's 2021 communications

contained ‘green’ claims, and for BP the figure totaled 61%. However, the companies continue to push for policies that would facilitate greater investment into oil and gas, as well as an increased role for fossil gas in particular. The [Intergovernmental Panel on Climate Change](#) and the [International Energy Agency](#) have found that investment in new oil and gas exploration, production, or infrastructure is incompatible with net-zero by 2050 and efforts to limit global warming to 1.5C. As such, BP and Shell’s policy engagement has continued to be fundamentally misaligned from the findings of the IPCC and IEA, as assessed using InfluenceMap’s [Science Based Benchmarks](#) (derived from the IPCC’s reports). This advocacy undermines the credibility of net zero plans put forward by the companies, as it makes such plans impossible to achieve.

This policy engagement has taken place in major economies around the world, with evidence assessed by InfluenceMap in the US, UK, EU, Australia, and India. This includes support for India to become a ‘gas-based economy’ in September 2022 ([BP](#) and [Shell](#)), successfully advocating to remove critical criteria from the UK’s Climate Compatibility Checkpoint in February 2022 ([BP](#) and [Shell](#)), advocating for a continued role for gas across EU climate policies ([BP](#) and [Shell](#)), and testifying to the US House Committee on Energy and Commerce for more permits and investment into oil and gas exploration in April 2022. ([BP America](#) and [Shell USA](#)).

Additionally, these companies maintain vast networks of industry associations. BP and Shell have some of the highest numbers of memberships in InfluenceMap’s system – 42 and 52 respectively – as well as high numbers of memberships to oppositional industry associations – 21 (50%) and 27 (52%) respectively.

Further details of BP and Shell’s policy engagement, as well as their industry association relationships can be found below.

BP and Shell’s Recent Policy Engagement – the Details

The below table demonstrates BP and Shell’s direct policy engagement in 2022 for more oil and gas across exploration, production, and demand-side measures. Arguably, this evidence could have been seen as an early warning signal for the companies’ future strategy on fossil fuels and climate change, clarified in the recent announcements.

Timeline	BP	Shell
Q1 2022	<p>In February 2022, BP lobbied against the inclusion of scope 3 emissions in the UK’s Climate Compatibility Checkpoint. The checkpoint was meant to be a way to determine whether new oil and gas production was in line with the UK’s net zero by 2050 goals.</p> <p>Meeting minutes from March 2022 between the CEOs of several oil companies including BP and Shell, through the industry association European Roundtable for Industry, and senior</p>	<p>In February 2022, Shell lobbied against the inclusion of scope 3 emissions in the UK’s Climate Compatibility Checkpoint. The checkpoint was meant to be a way to determine whether new oil and gas production was in line with the UK’s net zero by 2050 goals.</p> <p>Meeting minutes from March 2022 between the CEOs of several oil companies including BP and Shell, through the industry association European Roundtable for Industry, and senior EU officials –</p>

	<p>EU officials – including President von der Leyen, Kadri Simson, Juul Jorgensen, Seibert, and Vandenberghe, discussed ‘support for decarbonization through the European Green Deal, need to increase the pace of the transition and pay more attention to security of supply in the short run’.</p>	<p>including President von der Leyen, Kadri Simson, Juul Jorgensen, Seibert, and Vandenberghe, discussed ‘support for decarbonization through the European Green Deal, need to increase the pace of the transition and pay more attention to security of supply in the short run’.</p> <p>In March 2022, Shell <i>advocated</i> for a role for fossil gas in the medium term in the EU Gas Package, without placing conditions for CCUS or methane abatement. The company also supported the role of blue hydrogen.</p>
Q2 2022	<p>In April 2022, BP <i>lobbied to weaken</i> the EU’s Hydrogen and Gas Decarbonization Package, arguing for a ‘technology neutral’ approach to hydrogen production and the inclusion of fossil gas.</p> <p>In April 2022, BP America <i>submitted testimony</i> to the US House Committee on Energy and Commerce Subcommittee calling for the need to invest in ‘resilient hydrocarbons’.</p> <p>In June 2022, <i>promoted</i> the role of fossil gas to the US Federal Energy Regulatory Committee.</p> <p>In July 2022, BP gave <i>evidence</i> to the UK Environmental Audit Committee stressing the need for oil and gas and its economic and security opportunities.</p> <p>In July 2022, BP <i>advocated</i> for the expansion of the fossil gas market in India and supported transforming India in a “gas-based economy”.</p>	<p>In April 2022, Shell USA CEO <i>advocated</i> for permits for new oil and gas projects and for an end of the pause on oil and gas leasing.</p> <p>In July 2022, Shell gave <i>oral evidence</i> to the UK Environmental Audit Committee stressed the need for ‘balanced’ pathways which included further investment into oil and gas production.</p> <p>In April 2022, Shell appeared <i>to advocate</i> for policy incentives for fossil gas infrastructure development.</p> <p>In July 2022, Shell gave <i>evidence</i> to the Scottish Affairs Committee advocating for the development of blue hydrogen alongside green, and put forward current energy prices were in part caused by underinvestment into oil and gas production.</p>
Q3 & Q4 2022	<p>In September 2022, BP <i>supported</i> developing India’s gas market and increasing the share of gas in India’s primary energy mix.</p> <p>In November 2022, CEO Bernard Looney <i>called</i> for continued investment into oil and gas.</p>	<p>In September 2022, Shell appeared to <i>advocate</i> for additional fossil gas infrastructure in India.</p>

This policy engagement looks likely to continue in 2023 with BP CEO Bernard Looney recently *calling* for more investment into oil and gas. Similarly, new Shell CEO Wael Sawan *stated* “Gas has a critical role to play in the transition” and that Shell’s fossil gas business would continue to grow in a world that is “desperately in need of natural gas at the moment, and [...] for a long time to come”.

BP and Shell’s Industry Associations

The above evidence and recent announcements may also provide context as to why BP and Shell continue to remain members to industry associations that take highly oppositional positions on Paris-aligned climate policy pathways. BP and Shell hold some of the highest number of industry association memberships in

InfluenceMap's system (42 and 52 respectively), and some of the highest numbers of membership to oppositional industry associations, in particular (21 and 27 respectively).

Both the companies have produced reviews of their industry associations in recent years, through which they have stated to investors that they are misaligned on climate policy with some of the industry associations they are members of, for example the American Petroleum Institute and the US Chamber of Commerce, amongst others. This is despite these industry groups consistent, highly strategic attempts to influence policy in favor of a long-term role for oil and gas in the global energy mix.

BP and Shell state in their industry association reviews they remain members to these groups as they believe the groups have adopted more positive climate positions. It is worth noting other companies, such as TotalEnergies, have left the same groups having come to the opposite conclusion – namely the American Petroleum Institute and its policy engagement on methane regulations. Moreover, InfluenceMap's evidence shows no significant improvement in the detailed policy engagement positions of the *American Petroleum Institute* or the *US Chamber of Commerce*, instead seeing the associations use top line support for climate change to distract from their continued oppositional policy engagement on real-world climate policies.

InfluenceMap notes that BP and Shell have not claimed to be misaligned with any of their industry associations specifically on advocacy looking to influence policy in favor of increased oil and gas exploration, production, infrastructure, or use.

In November 2022, InfluenceMap released its '*Corporate Carbon Policy Footprint*' report, highlighting the most oppositional and influential companies and industry associations policy engagement on climate policy worldwide. The below table shows BP and Shell's memberships to the ten most negative and influential industry associations on climate policy in 2022. BP is a member to half and on the board of three, while Shell is a member to seven and on the board of four. Assessments of alignment have been taken from BP and Shell's most recent industry association reviews.

BP (InfluenceMap's assessment of Shell's Industry Association review can be found [here](#)):

Rank	Industry Association	Grade	Membership	Alignment Assessment by Company
1	<i>American Petroleum Institute</i>	F	BP is a member of the board and executive committee and participates in API's policy and technical committees .	Partially Aligned <i>Aligned</i> on Paris Agreement, climate science, technology, energy efficiency. <i>Partially aligned</i> on reducing emissions, carbon pricing.
3	<i>US Chamber of Commerce</i>	E-	BP is a member of the board and participates in a number of committees .	Partially Aligned <i>Aligned</i> on Paris Agreement, climate science, carbon pricing, energy efficiency, technology, carbon credits. <i>Partially aligned</i> on reducing emissions.

4	<i>BusinessEurope</i>	D-	BP is a partner company in the Corporate Advisory and Support Group.	Aligned (on all positions).
5	<i>Canadian Association of Petroleum Producers</i>	E	BP is a member.	Aligned (on all positions).
6	<i>California Chamber of Commerce</i>	F	BP is a member of the board .	BP has not assessed its alignment with California Chamber of Commerce.

Shell (InfluenceMap's assessment of Shell's Industry Association review can be found [here](#)):

Rank	Industry Association	Grade	Membership	Alignment Assessment by Company
1	<i>American Petroleum Institute</i>	F	Shell is a member of the board and the climate working group .	Some misalignment (appears to be relating to positions (or lack of) regarding net zero, and the decarbonization of transport, and nature-based solutions).
3	<i>US Chamber of Commerce</i>	E-	Shell is a member of the board .	Some misalignment (appears to be relating to positions (or lack of) regarding net-zero, carbon pricing, fuel economy standards, and nature-based solutions).
4	<i>BusinessEurope</i>	D-	Shell is a member.	Alignment (on all positions).
5	<i>Canadian Association of Petroleum Producers</i>	E	Shell is a member of the board .	Alignment (on all positions).
8	<i>American Gas Association</i>	E-	Member though Shell Polymers.	Shell has not assessed its alignment with American Gas Association.
9	<i>German Association of Automotive Industry</i>	D-	Shell is an 'Extraordinary Member'.	Shell has not assessed its alignment with German Association of Automotive Industry.
10	<i>Federation of German Industries</i>	D	CEO of Deutsche Shell Holding GmbH is on the Presidential and Executive Board .	Shell has not assessed its alignment with Federation of German Industries.

BP and Shell's vast networks of industry associations have not only continued to lobby for increasing oil and gas production, including through the use of *disinformation*, but also against regulations which would reduce consumer demand for oil and gas. For instance:

- In June 2022, the American Petroleum Institute (API) *lobbied against* decarbonization measures in New York Climate Action Council's Draft Scoping Plan, such as measures to eliminate fossil gas in buildings and ban on the sale of ICE vehicles. Likewise, the American Gas Association has repeatedly *opposed* building electrification proposal, such as that in Maryland. In November 2022, the US Chamber *filed an*

amicus brief to the California district court supporting a legal case against emissions regulations that would encourage the purchase of zero-emission vehicles.

- Several of BP and Shell's industry associations have lobbied against demand-side measures in the EU, including FuelsEurope - which *opposed* a ban on fossil fuel-based systems under the Energy Performance of Builds Directive in December 2022 as well as the *EU's 2035 phase out date* for the sale of ICE (internal combustion engine) vehicles in March 2022 - and BusinessEurope - which *lobbied against* several of the reforms to the Energy Efficiency Directive in November 2021.