



BP's participation in trade associations

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Introduction

This document describes the role of trade associations and the principles that guide BP's membership and participation. Our membership of trade associations allows us to engage on topics that are relevant for our activities. We seek to use our influence positively in a manner consistent with our own positions and values.

We recognize stakeholder interest on this topic, including from our investors. We acknowledge the European Investor Expectations on Corporate Lobbying on Climate Change¹.

The role of trade associations

Open and well-informed discussion between governments, business, investors, academic bodies, non-governmental organizations and the public is vital as public policies are debated and solutions developed.

We believe being a member of a trade association provides a number of benefits. These include:

- Supporting understanding of issues, including different views and perspectives.
- Contributing to the development of equipment and operating standards.
- Developing, sharing and promoting good practice and knowledge.
- Providing input and expert advice on behalf of the sector to regulatory bodies and institutions.
- Supporting professional development.

Types of trade associations

Trade associations are extremely diverse and can be broadly grouped into three types.

Type of association	Examples of activities	Characteristics
General or multi-sectoral business associations	Promote and represent the broader role of trade and business. Engage in advocacy, typically focusing on supporting economic growth and jobs.	Often large and diverse membership. Positioning reflects a very broad range of views. Typically consider a wide range of issues.
Sector-specific industry associations	Bring together companies from a given sector to consider common issues and responses. Represent and advocate views, including in engagement with regulators and legislative bodies. Provide a forum for sharing experiences and promoting good industry practice.	May have a broad or narrow focus – varies from one association to the next. Positioning reflects a broad range of views. Typically consider a wide range of issues across the sector.
Issue-specific associations	Promote an informed view on a specific issue. Participate in the design of national and international regulation and guidance. Support collaboration, often across sectors and geographies.	Relatively narrow focus but may have broad membership. Positioning likely to align more clearly with members' views.

Trade associations can be global, regional, national or local in scope. And there can also be combinations of these types, for example the Oil and Gas Climate Initiative (OGCI) is an industry association that focuses on a particular issue – climate change.

Each individual association may have its own legal status, governance arrangements and membership requirements, and its specific activities may be influenced by the social, political and legal environment it faces.

Our participation in trade associations

BP is a member of many trade associations across the world. We join associations, in part, so that our views on a variety of topics are considered. We engage in policy debates on subjects of legitimate concern or opportunity for BP, our staff, and the communities in which we operate.

We share our perspective on emerging policy issues with trade associations in which we participate, where we believe our contribution is beneficial both to BP and to the wider discussion.

We consider several factors when joining and reviewing our memberships, including:

- Alignment with business purpose, focus areas and activity.
- Value to BP's business or the implications of not being involved.
- Ability for BP to influence.
- Presence of appropriate arrangements with respect to anti-trust and competition law.
- Financial and time commitments.

Our code of conduct sets out our expectations for working with our business partners. It requires our employees to clearly communicate expectations to our partners, take the appropriate measures if expectations are not met, and report any indications that a business partner is not complying with their obligations.

Policy differences and review

We understand that the positions taken by trade associations will often be a compromise view, arrived at through their individual decision-making processes where there could be widely differing views among their membership. We may share our perspective on emerging policy themes with them, but as one member among many, we do not expect to dictate what they write or say.

This means our position and trade association positions are unlikely to always be the same. However, we seek alignment between our positions by:

- Assessing respective positions at the time of joining.
- Ongoing monitoring.
- Active engagement within the association where appropriate – this may include during periods of new policy formulation.
- Focused reviews of key association positions.

We monitor our memberships of associations, and the positions or campaigns they undertake, to enable us to consider whether it remains appropriate. We will publicly dissent from a trade association position or resign our membership only by exception if there is material misalignment in our views.

We provide a summary of our key association memberships to our board.

¹ Expectations developed in consultation with Institutional Investor Group on Climate Change (IIGCC), October 2018. Available via www.IIGCC.org/resources

Our policy position on the energy transition

We consider environmental and social issues in the normal course of business through our governance framework. In addition to the oversight provided by the board and executive team, our position is developed through our policy and advocacy working group, chaired by the deputy chief executive officer. This allows a consistent approach across our business and informs external communications.

We know that society is demanding more energy, delivered in new and better ways. Our position on the energy transition is well documented:

- **Paris Agreement** - we support the goals of the 2015 Paris Agreement on climate change.
- **Climate science** - we recognize the IPCC as the primary source of information on climate science.
- **Collective response** - no one company or sector alone can deliver a low carbon future. Everyone, from consumers to corporations to governments, needs to take action.
- **Reducing emissions** rather than promoting one fuel as the answer. The world will need all forms of energy for a long time to come, so we need to make all fuels cleaner.
- **Improving energy efficiency**, where the greatest reductions in emissions can be achieved. Advances in technology for everyone – from industry to individuals – are creating huge opportunities to achieve gains over the coming years.
- **Carbon pricing** is one of the most significant steps that can be made. The more governments can do to bring about clear, stable pricing frameworks, the greater the incentives for innovation and lower carbon choices.

Further information

BP Sustainability Report – [bp.com/sustainability](https://www.bp.com/sustainability)

BP Annual Report and Form 20-F – [bp.com/annualreport](https://www.bp.com/annualreport)

BP Code of Conduct – [bp.com/values](https://www.bp.com/values)