

Business Leadership in Society

Sustainability initiative involvement and lobbying activities in Oil & Gas

Introduction

As part of the broader energy sector, global oil and gas companies play an important role in society and their operations they have a substantial influence on the future of our planet and our collective wellbeing. Twenty years ago, actors in oil and gas were not yet greatly [concerned](#) about climate change, the need for renewable energy sources or other negative environmental and social impacts. Yet, with the classification of issues such as climate change as existential threats to humanity and growing concern from scientists and investors, awareness among oil and gas companies of their impacts on society and the environment appears to have increased. In this briefing note, we explore and contrast the involvement of major oil and gas companies in sustainability focused initiatives and their links to ‘traditional’ industry associations that may also be influencing sustainability outcomes. We find large inconsistencies between the involvement of oil and gas companies in sustainability initiatives and their involvement in industry associations that have lobbied against sustainability outcomes.

Sustainability Initiative Involvement

We were interested in understanding whether the growing awareness of sustainability translated into company involvement with sustainability initiatives. High Meadows Institute is performing ongoing research on industry associations and partnerships with a focus on sustainability, and has recently expanded its Business Leadership in Society (BLiS) Database to show the range of sustainability initiatives that Forbes 2000 companies have signed up to.

Looking at some of the largest players within the energy sector, we found a high level of participation in sustainability initiatives:

| Company | No. of Sustainability Initiatives |
|-------------------|-----------------------------------|
| Royal Dutch Shell | 25 |
| BP | 18 |
| Total | 18 |
| Chevron | 16 |
| Equinor | 10 |
| Eni | 9 |
| ConocoPhillips | 5 |
| Schlumberger | 4 |
| Marathon Oil | 2 |

We found that these companies are involved in partnerships promoting sustainability on a broader level, such as the UN Global Compact, the World Business Council for Sustainable Development, Business for Social Responsibility and the US Global Leadership Coalition.

We also identified participation in initiatives that focus on sustainability issues that are material to firms within the oil and gas industry, including GHG emissions and ecological impacts.¹ Most prominently, companies are involved with the Oil and Gas Climate Initiative, the Global Gas Flaring Reduction Initiative and the International Petroleum Industry Environmental Conservation Association. These initiatives all work towards mitigating negative environmental impacts from business operations and are pro-climate. Additional initiatives that companies have involvement with include We Mean Business and the Carbon Pricing Leadership Coalition, which work with the world's most influential businesses to take action on climate change by catalyzing business leadership to drive policy ambition and accelerate the transition to a zero-carbon economy and advance the carbon pricing agenda. At a first glance, this appears to be good news for building a more sustainable future.

Too good to be true?

While this involvement sounds promising at first, we also sought to understand the extent to which the largest oil and gas companies are involved with 'traditional' industry associations and partnerships. We define 'traditional' initiatives as those that do not have a dedicated sustainability-linked purpose (i.e. they are not focused on solving climate change) but which could be active on sustainability issues through their wider work. Thus, we supplemented the analysis by taking a different perspective and identifying which industry associations and partnerships outside of the database are most popular. Are oil and gas firms more frequently active in 'traditional' initiatives or sustainability initiatives? Do these initiatives promote any sustainability objectives?

The influence of 'traditional' industry associations

Analyzing the public disclosures of a selection of the biggest oil and gas players, we found support for a number of traditional industry associations, often in combination with membership fees of more than \$50,000 or \$100,000. Popular industry associations identified (in North America and Europe) include:

- The American Petroleum Institute
- The National Association of Manufacturers
- American Fuel and Petrochemical Manufacturers
- The US Chamber of Commerce
- The Canadian Association of Petroleum Producers.

Out of the 27 'traditional' industry associations identified as being influential among oil and gas companies, only 2 are constituents of the BLiS Database of sustainability initiatives. As such, the findings suggest that organizations focused on addressing sustainability issues are only one part of the picture when analyzing a company's ambitions, and to fully understand progress and impact, we also need to consider if 'traditional' initiatives are positively or negatively engaging and lobbying on material sustainability topics. For instance, OpenSecrets.org, also known as the Center for Responsible Politics, [found](#) that the Oil & Gas industry spent a total of \$125,753,359 on lobbying in 2019 and industry associations are known to be powerful lobbying vehicles. According to their findings, the American Petroleum Institute spent \$6,610,000 and the American Fuel & Petrochemical Manufacturers spent \$3,194,109.

¹ According to the Sustainable Accounting Standards Board (SASB), material issues for companies in oil and gas include GHG emissions, air quality, water & wastewater management, ecological impacts, human rights and community relations, employee health and safety, business ethics, critical incident risk management and business model resilience.

The impact of ‘traditional’ industry associations on climate goals

The impact of oil and gas companies on climate change is indisputable. CDP [reports](#) that the production of oil and gas accounts for more than 50% of global GHG emissions associated with energy consumption. In response to the mounting pressure from investors and society more broadly to act on climate, companies appear to be engaging on the topic. As noted earlier, we found that many oil and gas giants publicly support climate-positive initiatives, but do these activities align with the positions represented by the major industry associations?

An analysis of their lobbying activities suggests they do not.

Climate lobbying is backed by immense [budgets](#), as the below table shows, with the American Petroleum Institute (API), the American Fuel and Petrochemical Manufacturers (AFPM) and the Canadian Association of Petroleum Producers (CAPP) at the forefront. Targets of lobbying in particular [include](#) expanding oil and gas production, weakening methane regulations, opposing stringent carbon pricing regulations and opposing strong electric vehicle policies. Influence Map also provides [analysis](#) on the climate lobbying activities for a selection of associations that we found as being most actively supported by the industry. Overall, it is questionable whether the oil and gas giants’ involvement with sustainability initiatives (especially on climate change) are anything other than window dressing.

Table 1: Climate-Lobbying among Oil and Gas companies²

| Company | Climate lobbying position (InfluenceMap) ³ | Climate lobbying score (InfluenceMap) ⁴ |
|-------------------|---|--|
| Royal Dutch Shell | Opposition | D+ |
| BP | Opposition | D- |
| Total | Opposition | D+ |
| Chevron | Opposition | E- |
| ConocoPhillips | Opposition | D- |

Table 2: Climate-Lobbying among industry associations in the oil and gas industry²

| Industry Association | Anti-climate lobbying budget | Climate lobbying position (InfluenceMap) ³ | Climate lobbying score (InfluenceMap) ⁴ |
|--|------------------------------|---|--|
| The American Petroleum Institute (API) | \$63 million | Opposition | F |
| The National Association of Manufacturers (NAM) | N/A | Opposition | F |
| American Fuel and Petrochemical Manufacturers (AFPM) | \$10million | Opposition | D |
| The US Chamber of Commerce | N/A | Opposition | E- |
| The Canadian Association of Petroleum Producers (CAPP) | \$9million | Opposition | E |

² Data adapted from [InfluenceMap](#).

³ The position refers to the whether the firm or initiative opposes or supports Paris-Agreement-aligned policies.

⁴ The score applies a grading system in which grades between B- and A+ can be considered broadly supportive of meaningful climate policy, and D to F indicate increasing opposition.

What about other material sustainability issues?

In addition to climate change and GHG emissions impacts, other material issues for the oil and gas industry include Water & Wastewater Management, Biodiversity and Employee Health and Safety, which are addressed by some of the sustainability initiatives that oil and gas companies are signed up to, such as Business for Social Responsibility.

We took our analysis a step further by exploring whether influential industry associations are actively addressing these additional environmental and social issues that are material to the industry. Overall, statements on issues other than climate change were less common. Key findings are as follows:

Although **corruption and bribery** is found to be a common problem throughout the value chain, none of the industry associations we evaluated offered a statement or other informational materials on how member firms can address this major concern to ethical business. A similar picture arose for **human rights issues in the supply chain** and **community relations**. The Canadian Association of Petroleum Producers (CAPP) is one of the very few providing [resources](#) on these issues. There is a more positive rate on initiatives addressing **employee health and safety concerns**. Half of the 14 industry associations assessed report on employee safety. The International Association of Oil & Gas Producers (IOGP), for instance, [offers](#) a variety of resources to members and discloses involvement in several safety-related programs. **Ecological impacts**, i.e. biodiversity concerns and water & wastewater management, are also topics addressed by approximately half of the initiatives. American Fuel & Petrochemical Manufacturers (AFPM), for example, [reports](#) on water regulation issues, although whether their position is beneficial to the environment is disputable.

Reviewing the public disclosures of influential industry initiatives, we found evidence of lobbying on other environmental and social issues besides climate-related policies. A selection of their lobbying activities on various rules impacting sustainability issues is presented in the table below.

| <i>Initiative</i> | <i>Sustainability Issue</i> | <i>Rule</i> | <i>Year</i> | <i>Reference</i> |
|---|-------------------------------|---|-------------|----------------------|
| <i>American Petroleum Institute</i> | Water & Wastewater management | Use Of U.S. Army Corps Of Engineers Reservoir Projects For Domestic, Municipal And Industrial Water Supply | 2017 | Link |
| | Water & Wastewater management | EPA's Assessment Of Potential Impacts Of Hydraulic Fracturing On Drinking Water Resources | 2015 | Link |
| | Water & Wastewater management | EPA Science Advisory Board (SAB) Request For Nominations Of Experts For SAB Hydraulic Fracturing Advisory Panel | 2012 | Link |
| <i>National Association of Manufacturers</i> | Water & Wastewater management | WOTUS Rule | 2018 | Link |
| | Water & Wastewater management | WOTUS Rule | 2019 | Link |
| | Employee Health & Safety | EPA rule that strengthens manufacturing facility safety and security | 2019 | Link |
| <i>International Association of Oil & Gas Producers</i> | Biodiversity | Proposal for a "Directive establishing a framework for Maritime Spatial Planning and Integrated Coastal Management" | 2013 | Link |
| | Employee Health & Safety | H225LP and AS332L2 Super Puma Helicopter Return to Service | 2017 | Link |

| | | | | |
|--|-------------------------------|--|------|----------------------|
| <i>American Fuel & Petrochemical Manufacturers</i> | Water & Wastewater management | WOTUS Rule | 2019 | Link |
| | | EPA's Proposed Rule Updating Regulations for Water Quality Certifications under Section 401 of the Clean Water Act | 2019 | Link |
| | | Preliminary PFOS and PFOA Regulatory Determination Under the Safe Drinking Water Act | 2020 | Link |

Conclusion

This research underscores the importance of deepening our understanding of the influence and impact of both sustainability initiatives designed to proactively solve global challenges and 'traditional' initiatives like industry associations that lobby governments on these same issues. Although oil and gas companies are involved with many sustainability initiatives, they are also linked to initiatives with poor track records. With respect to climate lobbying, significant progress is being made by investors and NGOs pushing companies to disclose their participation in industry associations and align their activities with their sustainability goals. Going forward, we expect companies to be scrutinized further on their climate lobbying practices and other key environmental and social issues.

APPENDIX

List of BLiS Initiatives that major Oil & Gas companies are members of

Royal Dutch Shell

1. Oil and Gas Climate Initiative
2. Extractive Industries Transparency Initiative
3. Business for Social Responsibility
4. Roundtable on Sustainable Biomaterials
5. The Business Principles for Countering Bribery
6. Global Gas Flaring Reduction Initiative
7. Global Road Safety Partnership
8. Green Growth Platform
9. Voluntary Principles on Security and Human Rights
10. IPIECA (International Petroleum Industry Environmental Conservation Association)
11. Carbon Pricing Leadership Coalition
12. The National Renewable Energy Laboratory
13. Consumer Goods Forum
14. European Chemical Industry Council
15. Chemical Industries Association
16. Social Accountability 8000
17. Bright Blue Hungarian Corporate Climate Platform
18. International Fertilizer Association
19. World Business Council for Sustainable Development
20. Global Off-Grid Lighting Association (GOGLA)
21. Roundtable on Sustainable Palm Oil (RSPO)
22. UN Global Compact
23. Automotive Industry Action Group
24. Clean Cooking Alliance
25. Roundtable on Responsible Soy

Chevron

1. Air and Waste Management Association (A&WMA)
2. Corporate Alliance on Malaria in Africa
3. Global Gas Flaring Reduction Initiative
4. Oil and Gas Climate Initiative
5. IPIECA (International Petroleum Industry Environmental Conservation Association)
6. Voluntary Principles on Security and Human Rights
7. Extractive Industries Transparency Initiative
8. Corporate Eco Forum
9. We Connect International
10. The National Renewable Energy Laboratory
11. Business for Social Responsibility
12. U.S Global Leadership Coalition
13. European Chemical Industry Council
14. World Business Council for Sustainable Development
15. The American Council on Renewable Energy
16. Business for 2030

BP

1. Aquaculture Stewardship Council
2. Chemical Industries Association
3. Focusing Capital on the Long Term
4. Global Gas Flaring Reduction Initiative
5. Oil and Gas Climate Initiative
6. The Business Principles for Countering Bribery
7. IPIECA (International Petroleum Industry Environmental Conservation Association)
8. Voluntary Principles on Security and Human Rights
9. European Chemical Industry Council
10. Sustainable Aviation
11. Carbon Pricing Leadership Coalition
12. Business for Social Responsibility
13. Social Accountability 8000
14. Principles for Responsible Investment
15. U.S Global Leadership Coalition
16. World Business Council for Sustainable Development
17. Bonsucro
18. UN Global Compact

Total

1. Extractive Industries Transparency Initiative
2. Global Road Safety Partnership
3. Oil and Gas Climate Initiative
4. Global Gas Flaring Reduction Initiative
5. Voluntary Principles on Security and Human Rights
6. Phosphorus, Inorganic & Nitrogen Flame Retardants Association
7. IPIECA (International Petroleum Industry Environmental Conservation Association)
8. Sustainable Energy for All
9. Carbon Pricing Leadership Coalition
10. Business for Social Responsibility
11. We Mean Business
12. European Chemical Industry Council
13. Social Accountability 8000
14. Sustainable Packaging Coalition
15. Roundtable on Sustainable Biomaterials
16. World Business Council for Sustainable Development
17. Global Off-Grid Lighting Association (GONGLA)
18. UN Global Compact

Equinor

1. Extractive Industries Transparency Initiative
2. Global Gas Flaring Reduction Initiative
3. Oil and Gas Climate Initiative
4. IPIECA (International Petroleum Industry Environmental Conservation Association)

5. Voluntary Principles on Security and Human Rights
6. European Chemical Industry Council
7. The National Renewable Energy Laboratory
8. Carbon Pricing Leadership Coalition
9. World Business Council for Sustainable Development
10. UN Global Compact

Eni

1. Global Gas Flaring Reduction Initiative
2. Oil and Gas Climate Initiative
3. IPIECA (International Petroleum Industry Environmental Conservation Association)
4. Extractive Industries Transparency Initiative
5. Carbon Pricing Leadership Coalition
6. We Mean Business
7. World Business Council for Sustainable Development
8. UN Global Compact
9. Global Reporting Initiative

ConocoPhillips

1. Global Environmental Management Initiative
2. IPIECA (International Petroleum Industry Environmental Conservation Association)
3. Voluntary Principles on Security and Human Rights
4. Extractive Industries Transparency Initiative
5. U.S Global Leadership Coalition

Marathon Oil

1. IPIECA (International Petroleum Industry Environmental Conservation Association)
2. U.S Global Leadership Coalition

Schlumberger

1. Global Environmental Management Initiative
2. IPIECA (International Petroleum Industry Environmental Conservation Association)
3. Corporate Eco Forum
4. We Mean Business