The ClimateAction100+ measures and BP:

Why it's important to choose relevant measures when assessing company progress towards Net Zero, and how they can become greenwash.

The big issue for Climate Action and LeicsDivest is that most of the CA100+ measures are only valid in certain circumstances – for example, when the target being talked about is Paris aligned, or if the actions are quantified. Much of the time companies end up looking like they are serious about moving to Net Zero by 2050 when in fact at best they are not doing so, and at worst are intensifying climate change while effectively greenwashing themselves.

- We think the fossil fuel companies our Local Government Pension Scheme (LLGPS) is currently investing in are very good at greenwashing. If you look at the table below you can see why we think this.
- We also think there are some key measures in the CA100+ set which are genuinely useful when trying to assess if a company is genuinely moving towards Net Zero.

The CA100+ and TPI Measures:
This framework evaluates the adequacy of corporate disclosure in relation to key actions companies can take to align their businesses with the Climate Action 100+ and Paris Agreement goals. The framework reflects publicly disclosed information as of 13th May 2022 and is assessed by the Transition Pathway Initiative. The scores are divided into 10 categories, of which 9 have been recently assessed.

A good Net Zero policy would:

1. **Choose a few relevant, action based measures based on the sector a given company is a part of.**
2. **Focus on measures for high carbon sectors – for example coal, oil and gas, cement, diversified mining, steel, etc.**
3. **Set clear dates about when they require the companies they invest in to achieve in these measures by.**
4. **Commit to divesting from companies if they fail to meet the specified dates.**
5. **Tell the companies they invest in what the LLGPS expects and what the consequences will be - divestment - if the companies fail to comply.**
6. **Above all, they would set effective measures with compliance dates for the sectors which include the 10 companies which have the highest percentage of carbon emissions (these companies include Shell and BP) within the pension scheme's investments.**

At the moment this Net Zero strategy does not contain ANY of the above points.

In the table on the next page we look at the CA100+ measures for BP and use this case study to make suggestions for the 7 key measures which a company in the oil, gas and coal sectors should be urgently required to meet (by 2025) if the company is to retain LLGPS investment.

Applying all the CA100+ measures to BP

As you can see, using all the CA100+ measures (most of which do not amount or real action or don't involve relevant dates and details) BP comes out looking very good with a score of 28/36. However, by assessing them only using the relevant CA100+ measures we have highlighted, they score 0/7 - and Shell would score 2/7. THIS IS WHY CHOOSING RELEVANT MEASURES IS SO IMPORTANT.

Name of category	What is being measured	CA100+ score	Validity of this measure as evidence that a company is moving to Paris aligned Net Zero	Leics Divest score	Are these measures valid for the coal, oil & gas sectors?
1. Ambition	Ambition of Net Zero greenhouse gas emissions by 2050	2/2	Ambition is not action, so this measure is greenwash.	0/0	No
2. Long term targets	Long term (2036-2050) targets to reduce greenhouse gas emissions	4/4	Irrelevant because in the case of fossil fuel companies the changes need to happen before 2036 or the world will have overspent it's carbon budget.	0/0	No
3. Medium term targets	Medium term (2026-2035) targets to reduce greenhouse gas emissions	3/4	The measure BP fails on requires the targets in the other measures to be Paris aligned to 1.5ºC. This invalidates the other measures in this category. These measures would be relevant if they were Paris aligned.	0/1	Yes: use 3.3
4. Short term targets.	Short term (up to 2025) targets to reduce greenhouse gas emissions	3/4	The measure it fails on requires the targets in the other measures to be Paris aligned to 1.5ºC. This invalidates the other measures in this category. These measures would be relevant if they were Paris aligned.	0/1	Yes: use 4.3
5. Decarbonis-ation	The decarbonisation strategy explains how the company intends to meet its long and medium-term GHG reduction targets.	1/4	the failure to quantify key elements of this strategy with respect to the major sources of its emissions (including Scope 3) invalidates the one tick it does get for identifying the set of actions they say they'll take. Unquantified actions easily become greenwash.	0/2	Yes: use 5.1B and 5.2B
6. Capital alignment	Commitment to align capital expenditure with the long term targets (2036-2050)	3/4	Alignment with long term targets is too late for fossil fuel companies as our pathway to 2030 is key in the world's capacity to stay Paris aligned. What's needed is alignment to short and medium term targets.	0/1	Maybe: 6.1B is a good start
7. Climate policy engagement	In other words, lobbying policy	6/6	These measures are about disclosure of lobbying, and commitments to lobby in ways which are Paris aligned. Disclosure is useful but does not indicate action. The commitments seem good on paper but BP's CEO attended COP27 as a delegate for one of the poorest countries in the world - allowing him into the zone where key negotiations take place. BP also lobbies for the EU to support gas. These actions aren't Paris aligned, so we question the validity of these measures.	0/0	No
8. Climate governance	Someone on the board is responsible for climate issues. The pay of a senior exec is linked to climate performance.	3/4	The last measure would be valid if the actions required were linked to short & medium term Paris Aligned targets – but they aren't. BPs fails on the last measure which does require this!	0/1	Yes: use 8.2B
9. Just transition	The company has plans to ensure a just transition for its workers and vulnerable communities.	-	This is not currently assessed (which is a shame as it might well be a relevant category of measures).	-	-
10. TCFD Disclosure	The company has agreed to climate related disclosure (which doesn't involve action) and uses climate scenario planning.	3/4	But disclosure doesn't require action and can therefore become greenwash. Meanwhile the planning fails to include a 1.5° Celsius scenario, cover the entire company, disclose key assumptions and variables used, and report on the key risks and opportunities identified which invalidates it.	0/1	Maybe: 10.2B
Total scores		**28/36**		**0/7**	

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