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The Honorable Gary Gensler
Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Submitted electronically via e-mail [Submit Comments on - Climate Disclosure \(sec.gov\)](https://www.sec.gov/submit-comments-on-climate-disclosure)

Subject: bp America comments to the Securities and Exchange Commission on the request for public input on climate disclosures

Dear Chairman Gensler,

bp appreciates the opportunity to provide comments on the Securities and Exchange Commission's (SEC) request for input on climate-related disclosures.¹ bp supports the Biden Administration's goal to get to net zero by 2050 – an ambition we share.

bp has a 150-year history in America and is committed to the U.S. for the long-term. We have a larger economic footprint in the U.S. than in any other country – we invested more than \$130 billion in the U.S. between 2005 and 2020. bp's business activities support more than 125,000 American jobs – including 10,000 direct employees nationwide – and we contributed more than \$60 billion to the national economy in 2020. bp is one of America's largest oil and natural gas producers and the largest marketer of natural gas in North America. We currently operate nine wind assets in the U.S. and maintain an interest in six solar energy facilities.

bp's purpose is to reimagine energy for people and our planet. In 2020 we set our ambition to become a net zero company by 2050 or sooner, and to help the world get to net zero. This net zero ambition is supported by 10 aims, one of which relates to being recognized as an industry leader in the transparency of our reporting and includes our intent to work constructively with the Task Force on Climate-related Financial Disclosures ("TCFD") and others to develop good practices and standards of transparency.

¹ This letter is submitted by bp America Inc., a Delaware corporation and indirect wholly owned subsidiary of bp, plc a "foreign private issuer" within the meaning of the Securities Exchange Act of 1934, as amended. Unless otherwise noted, the text does not distinguish between bp plc and its subsidiaries.

Earlier this year, we announced an additional 10 aims focused on “improving people’s lives” and “caring for the planet.” Together, these 20 aims form our new sustainability frame that we believe will help show how profits and purpose can work together in delivering long-term sustainable value for all of our stakeholders, investors, employees and society at large².

As a part of our new ambition, we also set out a new strategy to become an integrated energy company focused on delivering solutions for customers. By implementing this strategy bp expects to be a very different company by 2030. In this context, **we are supportive of requiring climate-related financial disclosures**, and we are pleased to share in the paragraphs that follow our views in response to this request. In summary, bp respectfully encourages the SEC to consider the following recommendations:

- Adopt new disclosure requirements relating to specific climate change metrics which lead to disclosure of information that is relevant to the registrant and useful to investors.
- Coordinate with regulators at the international level to ensure that reporting regimes provide consistent and investor helpful information.
- Leverage the work of global initiatives already underway that are advancing climate-related corporate reporting.
- Adopt climate change disclosure requirements in line with the TCFD framework and informed by the Sustainability Accounting Standards Board’s (“SASB”) industry specific climate-related metrics.

Climate Disclosures

bp supports the SEC adopting new disclosure requirements relating to specific climate change metrics which lead to disclosure of information that is relevant to the registrant and useful to investors. Industries vary widely in levels of emissions, use of carbon-based energy and overall carbon footprint. Therefore, the SEC should seek input from across industries to ensure disclosures are meaningful, comparable and decision-useful. This will give registrants the opportunity to make recommendations on how new climate-related disclosures can be incorporated into their systems and controls currently in place which capture the information necessary to produce the required periodic reports without the need to require new or out of cycle reporting. The SEC should also seek input from agencies and third parties that have the expertise in understanding what information regarding a registrant’s operations is useful and the types of climate-related disclosures relevant to the industry.

bp believes it is appropriate for the SEC to prioritize climate-related disclosures given the importance of climate to many investors. Further, bp believes the SEC can adopt climate-related financial disclosure requirements that allow for the future application to financially material ESG-related requirements. As discussed below, bp supports the TCFD recommendations, which can be used as a framework generally.

The nature of the climate-related disclosures will have an impact on what steps should be incorporated to facilitate reliability. Many registrants, for instance in the oil and gas industry, are subject to environmental laws and emissions limits relevant

² [Our aims](#) | [Who we are](#) | [Home \(bp.com\)](#)

to the SEC's work in this space. If the climate-related disclosures the SEC ultimately adopts include information provided to other regulatory agencies, then there should be no need for additional reliability requirements. bp supports adoption of new disclosure requirements to promote transparency of important climate metrics; however, such disclosures should be designed to provide registrants with certain safe harbors against strict or immediate liability to encourage fulsome disclosure.

International coordination – Regulators, TCFD, and other bodies

As the SEC pursues the development of climate-related disclosures, **bp encourages the SEC to coordinate with regulators at the international level to ensure that reporting regimes provide consistent and investor helpful information.** Achieving comparability and reporting consistency will drive efficiency in reporting and help to eliminate conflicting compliance requirements that could create confusion for investors.

The SEC should leverage the work of the initiatives already underway that are advancing climate-related corporate reporting and moving towards the development of a globally accepted standard, such as that of the TCFD, the SASB³, and the International Financial Reporting Standards Foundation (IFRS). Additional entities, like the Climate Disclosure Project (CDP), are also relevant, as they are seeking input from companies on how they evaluate risks and opportunities that have a substantive financial or strategic impact on businesses.

bp supports the **SEC requiring material climate change disclosures in line with the TCFD framework and believes that SASB's industry specific climate-related metrics can inform the SEC's consideration of adoption of specific disclosures against the recommendations of TCFD.** SASB industry specific standards and the TCFD framework complement one another to allow companies to provide for the disclosure of financial information useful to investors.

The TCFD framework allows companies to organize a discussion of their climate-related risks and opportunities while employing existing internal processes. In 2020, bp announced that it intends to work constructively with the TCFD, and others, to develop good practices and standards for transparency. bp's 2020 annual report provides information supporting the four TCFD recommendations on governance, strategy, risk management, and metrics and targets. In 2020, bp also used the SASB Oil & Gas production standard (version 2018-10) to inform its reporting⁴.

In addition to reporting along the four TCFD recommendations, bp also supports further disclosure in accordance with the eleven recommended disclosures in TCFD. The eleven recommended disclosures serve to provide further guidance on the four TCFD recommendations as well as provide detail to help companies prepare their disclosures. bp recommends that the SEC structure disclosure requirements in line with TCFD's recommendations and recommended disclosures.

³ On June 9, 2021, the International Integrated Reporting Council and Sustainability Accounting Standards Board announced the completion of a merger and formation of the Value Reporting Foundation. See e.g., <https://www.sasb.org/wp-content/uploads/2021/06/Value-Reporting-Foundation-Press-Release-Final.pdf>

⁴ [SASB Index 2020 \(bp.com\)](#)

While bp supports general alignment with the TCFD framework, bp believes that more work is needed on scenario analysis before it becomes a part of any required reporting. The 2020 TCFD Status Report recognized that the percentage of companies disclosing strategy resilience was significantly lower than that of any other recommended disclosure,⁵ underscoring the challenge in generating decision-useful information for investors through scenario analysis. bp believes that scenarios should be used to help understand the range of uncertainty faced by companies – and their resilience to that uncertainty – not to develop presumptive pathways. No single scenario will be an accurate predictor of the future, and that is not their role.

Climate-related risks and GHG emissions reporting

In line with TCFD's strategy disclosure category, bp supports the disclosure of the actual and potential impacts of climate-related risks and opportunities on a company's business, strategy and financial planning where such information is material⁶.

bp recognizes that climate-related risks include both physical risks related to the physical impacts of climate change including event driven risks such as changes in the severity and/or frequency of extreme weather events; and transition risks related to the transition to a lower carbon economy including policy and legal, technology, markets and reputational risks.

bp discloses greenhouse gas emissions from its operations worldwide – around 46 million tonnes of CO₂ equivalent (MteCO₂e) in 2020 – and the carbon in the oil and gas that it produces – equivalent to around 328 MteCO₂e emissions in 2020 – both on an absolute basis⁷. We use a comprehensive emissions inventory approach which is based on the Greenhouse Gas (GHG) Protocol Corporate Standard⁸ and guidance issued by IPIECA, the American Petroleum Institute (API), and the International Association of Oil and Gas Producers (IOGP)⁹, which is a globally accepted standard for the oil and gas sector. But one registrant's approach may not be right for another. So, given the complexity of the data involved, the variation across industries and companies, and the importance of providing decision useful information to investors, **the SEC should afford companies the flexibility to determine the appropriate emissions methodology fit for their operations.**

International coordination and equivalency of foreign reporting regimes

As discussed above, coordination with international regulators and standard setters will help the SEC in adopting disclosure requirements that are consistent with and comparable to the requirements in other jurisdictions, which will benefit investors and registrants. As disclosure regimes develop and are adopted, bp encourages the SEC to allow for compliance with these alternative reporting regimes by foreign private issuers to be deemed to meet the requirements of the new SEC rule provided the SEC has determined the alternative reporting regime satisfies the objective of its climate disclosure rule. To that end, once any such rule is finalized,

⁵ [Task Force on Climate-related Financial Disclosures 2020 Status Report](#)

⁶ [2020-TCFD Status-Report.pdf \(bbhub.io\)](#)

⁷ [ESG datasheet 2020 \(bp.com\)](#)

⁸ [Corporate Standard | Greenhouse Gas Protocol \(ghgprotocol.org\)](#)

⁹ [ipieca_sustainability-guide_2020_mod3-cce.pdf](#)

bp encourages the SEC to review the climate reporting requirements in other jurisdictions to determine the appropriate equivalence mechanism.

Conclusion

As bp continues its transition from international oil company to an integrated energy company, we aim to be an industry leader in the transparency of our reporting. We also want to be an energy company with purpose that is trusted by society, valued by shareholders and motivating for everyone who works at bp. Thank you for your consideration of these comments. We look forward to working with the SEC on this important matter. Please contact Heidi Keller [REDACTED] or me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Streett', with a long horizontal flourish extending to the right.

Mary Streett
Senior Vice President, Americas Communications & Advocacy