

**FACT SHEET**

**THE 2018 CLIMATE  
ACCOUNTABILITY  
SCORECARD**

# Climate Accountability at ConocoPhillips

Since the Union of Concerned Scientists (UCS) issued its inaugural *Climate Accountability Scorecard* in 2016, the fossil fuel industry has faced mounting shareholder, political, and legal pressure to stop spreading climate disinformation and dramatically reduce global warming emissions from its operations and the use of its products. This follow-up study of eight major oil, gas, and coal companies (Arch Coal, BP, Chevron, ConocoPhillips, CONSOL Energy, ExxonMobil, Peabody Energy, and Royal Dutch Shell) found that they are responding to these growing mainstream expectations.

However, the organization’s analysis also found that these companies’ actions, on the whole, remain insufficient to prevent the worst effects of climate change. None of these companies have demonstrated a level of ambition consistent with keeping global temperature rise within the Paris climate agreement limits that some companies claim to support, many downplay or misrepresent climate science, and all continue to spread climate disinformation through trade and industry groups.


In 2018, we evaluated the same eight companies on 28 metrics that are largely the same as those we assessed in 2016 (Mulvey et al. 2016). The study focused on the period from July 2016 through June 2018. The metrics and criteria are separated into four broad subject areas: renouncing disinformation on climate science and policy, planning for a world free from carbon pollution, supporting fair and effective climate policies, and fully disclosing climate risks. For each area, we gave each company a score, ranging from “advanced” (which means that the company is demonstrating best practices) to “egregious” (which means that the company is acting very irresponsibly). ConocoPhillips’s score improved in two areas, dropped in one area, and stayed the same in one area.

**Scorecard Highlights**

- Since 2013, ConocoPhillips has not been affiliated with the American Legislative Exchange Council (ALEC), which serves as an important conduit for climate science disinformation and policy proposals designed to block climate action (SourceWatch 2018).

- ConocoPhillips identifies business units that might be affected by the physical impact of climate change, specifies the magnitude and time frames of the anticipated impacts, and provides a framework for how the company intends to respond (ConocoPhillips 2018a).
- ConocoPhillips provides a detailed analysis of existing and proposed laws and regulations relating to climate change, their possible effects on the company, and how the company will respond (ConocoPhillips 2018a).
- The company discloses some details of corporate governance on global warming emissions management and climate risks and opportunities, including how the board is engaged and which executives are accountable (ConocoPhillips 2018b).
- The company provides above average disclosure of its political spending and has extensive policies and oversight related to political activities in general (CPA 2017).
- ConocoPhillips provides information about direct global warming emissions from its operations and indirect global warming emissions from downstream activity (ConocoPhillips 2017b).

TABLE 1: ConocoPhillips Company Overview

	<b>Global oil and natural gas exploration and production company</b>
Location of Headquarters	Houston, TX
CEO and Executive Chairman	Ryan Lance
2017 Annual Revenues	\$32.584 Billion
2017 Annual Loss	(\$855 Million)

DATA SOURCE: CONOCOPHILLIPS 2017A.

## Scorecard Lowlights

- ConocoPhillips misrepresents climate science by stating that increased concentrations of global warming emissions in the atmosphere “can lead” (rather than “are leading”) to adverse climate effects, emphasizing uncertainties, and talking about “managing” (rather than “reducing”) emissions (ConocoPhillips 2018c).
- ConocoPhillips holds leadership positions in the American Petroleum Institute (API), the National Association of Manufacturers (NAM), and the US Chamber of Commerce (US Chamber) (US Chamber 2018; API 2016; NAM n.d.). It has not taken steps to distance itself from the climate disinformation spread by any of these groups.
- ConocoPhillips has not set a company-wide, net-zero emissions target consistent with the Paris climate agreement’s global temperature goal (ConocoPhillips 2018d).
- ConocoPhillips has not explicitly endorsed the Paris climate agreement’s global temperature goal (ConocoPhillips 2018e).

## Recommendations

### CONOCOPHILLIPS SHOULD:

- Stop misrepresenting the scientific evidence of climate change and stop emphasizing uncertainties; instead, consistently affirm the need for swift and deep

reductions in emissions from the burning of fossil fuels.

- Use its leadership positions within API, NAM, and the US Chamber to demand an end to their disinformation on climate science and policy, and speak publicly about these efforts.
- Develop and publicly communicate a company-wide plan to bring ConocoPhillips’s emissions of heat-trapping gases from its operations and from the use of its products to net zero by mid-century, which would be consistent with the Paris climate agreement’s global temperature goal.
- Explicitly endorse the Paris climate agreement’s global temperature goal and consistently support public policies and/or regulations to advance it.
- Consistently call for US policy action on climate change, identify specific federal and/or state legislation or regulation that the company supports, and advocate publicly and transparently for those policies.

## Detailed Scoring

ConocoPhillips’s scores across all metrics, separated by area, are detailed below in Tables 2-5. For each metric and area, companies are scored on a five-point scale. In descending order, the possible scores are Advanced, Good, Fair, Poor, and Egregious. Arrows indicate a change in score from the 2016 scorecard.

Please see the methodology and data appendices online at [www.ucsusa.org/climatescorecard](http://www.ucsusa.org/climatescorecard) for additional details.

TABLE 2. Renouncing Disinformation on Climate Science and Policy

Metric	2016 Score	2018 Score	Rationale
Consistently accurate public statements on climate science and the consequent need for swift and deep reductions in emissions from the burning of fossil fuels	Fair	Egregious ▼	In a March 2018 court filing related to a climate liability lawsuit, ConocoPhillips stated that it defers to the scientific consensus on climate change as reflected in the Intergovernmental Panel on Climate Change (IPCC) scientific assessments (The People of the State of California v. BP P.L.C. et al. 2018). However, on its website, ConocoPhillips states that increased concentrations of greenhouse gas emissions in the atmosphere “can lead” (rather than “are leading”) to adverse climate effects, emphasizes uncertainties, and talks about managing (rather than reducing) emissions (ConocoPhillips 2018c).
<b>Affiliations with trade associations and other industry groups that spread climate science disinformation and/or block climate action</b>			
American Legislative Exchange Council (ALEC)	Good	Good	ConocoPhillips confirmed in 2013 that it was no longer a member of ALEC, but it did not specifically cite climate change as its reason for leaving (SourceWatch 2018).
American Petroleum Institute (API)	Egregious	Egregious	ConocoPhillips chair and chief executive officer, Ryan Lance, serves on the API executive committee as of 2018 (API 2016; ConocoPhillips n.d.). The company has not taken any steps to distance itself from climate disinformation spread by the group.
National Association of Manufacturers (NAM)	Egregious	Egregious	ConocoPhillips senior vice president of government affairs, Andrew Lundquist, is on the NAM board of directors as 2018 (NAM n.d.). The company has not taken any steps to distance itself from climate disinformation spread by the group.
US Chamber of Commerce (US Chamber)	Egregious	Egregious	Andrew Lundquist is also on the US Chamber board of directors as of 2018 (US Chamber 2018). The company has not taken any steps to distance itself from climate disinformation spread by the group.
Western States Petroleum Association (WSPA)	Poor	Poor	ConocoPhillips is a member of WSPA as of 2018, and the company has not taken any steps to distance itself from climate disinformation spread by the group (WSPA 2018).
Policy, governance systems, and oversight mechanisms to prevent disinformation	Poor	Poor	ConocoPhillips has no policy or commitment on record to avoid direct or indirect involvement in spreading climate science disinformation.
Support for climate-related shareholder resolutions	Egregious	Poor ▲	In 2017, ConocoPhillips recommended that shareholders vote against a proposal calling for a report on how senior executive incentives align with company efforts to promote resilience in low-carbon scenarios (ConocoPhillips 2017c). While the resolution received relatively low support, the company disclosed that it had taken the action requested, removing fossil fuel reserves as an incentive metric for executive compensation (Brennan 2017).
<b>Area score</b>	<b>Poor</b>	<b>Egregious ▼</b>	

DATA SOURCES: COMPANY WEBSITES FROM JULY 1, 2016, THROUGH JULY 31, 2018. COMPANY REPORTS, PROXY STATEMENTS, US SECURITIES AND EXCHANGE COMMISSION FILINGS, AND SUBMISSIONS IN CLIMATE LIABILITY LITIGATION; PUBLIC STATEMENTS BY COMPANY REPRESENTATIVES; TRADE ASSOCIATION AND INDUSTRY GROUP WEBSITES; AND THIRD-PARTY SHAREHOLDER AND WATCHDOG GROUP WEBSITES FROM JULY 1, 2016, THROUGH JUNE 30, 2018; TRADE ASSOCIATION FEDERAL FILINGS FROM 2016.

TABLE 3. Planning for a World Free from Carbon Pollution

Metric	2016 Score	2018 Score	Rationale
Company-wide commitments and targets to reduce greenhouse gas emissions	Poor	Poor	ConocoPhillips has made a company-wide commitment to reduce greenhouse gas emissions intensity (by 5 to 15 percent by 2030), but it has not set a net-zero emissions reduction target in line with the Paris climate agreement's global temperature goal (ConocoPhillips 2018d).
Use of an internal price on carbon in investment decisions	Poor	Fair ▲	ConocoPhillips has a set carbon price of \$40 per tonne that it uses in investment decisions, but it does not specify whether the price reflects the carbon emitted during all components of the supply chain over which the company has control (ConocoPhillips 2017a).
Commitment and mechanism to measure and reduce carbon intensity of supply chain	Poor	Fair ▲	ConocoPhillips has publicly stated its commitment to lower the company's emissions intensity by 5 to 15 percent by 2030. While this is a quantitative target, the company's minimum commitment results in less than 1 percent emissions intensity reduction per year. ConocoPhillips has also publicly joined a group designed to share best practices and information on reducing global warming emissions (ConocoPhillips 2017b).
Disclosure of investments in low-carbon technology research and development	Poor	Poor	ConocoPhillips does not report annually on low-carbon research and development or provide a breakdown of specific low-carbon investments (ConocoPhillips 2018d; ConocoPhillips 2017b).
Disclosure of greenhouse gas emissions reduction plans	Poor	Poor	ConocoPhillips set a long-term target to reduce its greenhouse gas emissions intensity, but it has not disclosed to shareholders details of its plans to reduce absolute greenhouse gas emissions from its operations and from the use of its products (ConocoPhillips 2018d; ConocoPhillips 2017b).
Disclosure of how company manages greenhouse gas emissions and associated risks	Fair	Fair	ConocoPhillips has provided a detailed description of actions it is taking to reduce, offset, or limit its own greenhouse gas emissions. However, it has not disclosed actual emissions reductions resulting from actions undertaken by the company, identified any opportunities to benefit financially from its actions to reduce emissions, or discussed the company-wide impacts of particular emissions reduction projects (ConocoPhillips 2018d; ConocoPhillips 2017b).
Disclosure of greenhouse gas emissions	Good	Good	ConocoPhillips provides information about direct greenhouse gas emissions from its operations and indirect greenhouse gas emissions from downstream activity, but it has not disclosed adequate data from the entire fuel production supply chain to estimate life cycle greenhouse gas emissions (ConocoPhillips 2018d; ConocoPhillips 2017b).
<b>Area score</b>	<b>Poor</b>	<b>Fair ▲</b>	

DATA SOURCES: 2017 AND 2018 US SECURITIES AND EXCHANGE COMMISSION 10-K OR 20-F FILINGS, CDP DISCLOSURES, SUSTAINABILITY REPORTS, AND ANNUAL REPORTS; COMPANY WEBSITES AND COMPANY PRESS RELEASES FROM JULY 1, 2016, THROUGH JUNE 30, 2018.

TABLE 4. Supporting Fair and Effective Climate Policies

Metric	2016 Score	2018 Score	Rationale
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Disclosure	Good	Good	The company publicly discloses corporate contributions to political candidates, committees, and parties; payments to politically active tax-exempt groups; independent political expenditures made in direct support of or in opposition to a political campaign; payments made to influence the outcome of ballot measures; and the positions and/or titles of company senior managers with authority over political spending decisions (CPA 2017).
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Policy	Advanced	Advanced	The company has a detailed policy governing its political expenditures from corporate funds, and it publicly describes its public policy positions that become the basis for its spending decisions with corporate funds. ConocoPhillips's policy states that senior managers have final authority over all of the company's political spending and that the board of directors must regularly oversee corporate political activity (CPA 2017).
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Oversight	Advanced	Advanced	The company has a specified board committee that oversees corporate political expenditures, an easily accessible web page dedicated to political disclosure, semiannual public disclosure of corporate political spending, and an internal process for ensuring compliance with its political spending policy (CPA 2017).
Engagement with Congress on federal climate policies or legislation	Fair	Fair	ConocoPhillips did not publicly engage with Congress on climate policies during the study period.
Consistent support for US policy action to reduce emissions	Poor	Poor	ConocoPhillips lays out an extensive platform for acceptable climate policy characteristics, and it has supported climate policies in the past. However, it did not publicly identify any US climate policy it supported during our study period (ConocoPhillips 2018e).
Support for Paris climate agreement*	N/A	Poor	ConocoPhillips has made a general statement of support for policies to advance the Paris climate agreement but has not explicitly endorsed its global temperature goal (ConocoPhillips 2018e).
Company influence through international or national business alliances or initiatives that are supportive of specific climate policies	Fair	Fair	ConocoPhillips has not signed onto any international or national business alliances or initiatives supportive of specific climate policies (ConocoPhillips 2017b).
<b>Area score</b>	<b>Good</b>	<b>Good</b>	

\*Metric regarding Paris Climate Agreement moved from the "Planning for a world free from carbon pollution" Area to the "Supporting fair and effective climate policies" Area because nations have begun to craft and enact policies to implement their Paris Climate Agreement commitments. 2018 scores not compared with those from 2016

DATA SOURCES: 2017 CENTER FOR POLITICAL ACCOUNTABILITY-ZICKLIN INDEX AND SCORING GUIDELINES; COMPANY WEBSITES, MAJOR NEWS SOURCES, CONGRESSIONAL TESTIMONY AND COMPANY COMMENTS FILED WITH REGULATIONS.GOV FROM JULY 1, 2016, THROUGH JUNE 30, 2018.

TABLE 5. Fully Disclosing Climate Risks

Metric	2016 Score	2018 Score	Rationale
Disclosure of regulatory risks	Good	Good	ConocoPhillips has provided a detailed analysis of existing and proposed laws and regulations relating to climate change, their possible effects on the company, and how the company will respond. However, it does not include a statement of material impact on capital resources, company liquidity, or operations, or a statement on estimated capital expenditures for environmental control facilities (ConocoPhillips 2018a; CDP 2017).
Disclosure of physical risks	Good*	Good	ConocoPhillips identifies business units that might be affected by the physical impact of climate change, specifies the magnitude and time frames of the anticipated impacts, and provides a framework for how the company intends to respond (ConocoPhillips 2018a; CDP 2017).
Disclosure of market and other indirect risks and opportunities	Fair	Fair	ConocoPhillips has acknowledged climate liability lawsuits filed against the company in the United States and identified other indirect risks and opportunities from climate change (such as availability of capital, development of new technologies, energy conservation, and reduced demand for fossil fuels). However, it provides limited analysis of the potential financial impacts on the company associated with these risks and opportunities (ConocoPhillips 2018a; CDP 2017).
Disclosure of corporate governance on climate-related risks by board and senior management**	Fair*	Good ▲	ConocoPhillips has disclosed some details of corporate governance on greenhouse gas emissions management and climate risks and opportunities, including how the board is engaged and which executives are accountable. However, the company has not disclosed whether and how executive compensation is tied to meeting climate objectives or how the company gauges the effectiveness of its climate change strategies (ConocoPhillips 2018a; CDP 2017).
<b>Area score</b>	<b>Fair</b>	<b>Good ▲</b>	

\* ConocoPhillips's scores for the disclosure of physical risks and the disclosure of corporate governance on climate-related risks increased after the publication of the 2016 scorecard, due to information gathered through company engagement.

\*\* Company scores may have improved because proxy statements were considered as a source in 2018 if referenced in US Securities and exchange commission (SEC) 10-K/20-F governance disclosure\*

DATA SOURCES: 2018 US SECURITIES AND EXCHANGE COMMISSION (SEC) 10-K OR 20-F FILINGS; PROXY STATEMENTS AND CDP DISCLOSURES, ONLY IF DISCUSSED IN SEC 10-K/20-F.

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## Union of Concerned Scientists

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