CASE STUDIES

The following case studies show how three anonymized fossil fuel companies scored against our criteria. This document is meant to show how FFI/UCS applied the criteria and the scoring convention to specific companies.

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<tr><td></td><td>Score</td><td>Good (+0.5)</td><td>Poor (-0.5)</td><td>Egregious (-1.0)</td></tr>
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1A. Accuracy and consistency of public statements on climate science and consequent need for swift and deep reductions in emissions from the burning of fossil fuels	**Rationale**	Company has consistently acknowledged the scientific evidence of climate change and has affirmed the consequent need for swift and deep reductions in emissions from the burning of fossil fuels. For example, Company in one public platform acknowledges some of the forecasted impacts of climate change in certain regions, including heavy rainfall in some and drought in others. Company has affirmed the need for swift and deep reductions in emissions in its endorsement of the Paris Climate Agreement's 2°C target and in its quantitative estimate of how much greenhouse gas emissions would have to fall between the present and mid-century to meet the goal.	Company has downplayed the need to reduce GHG emissions in one platform. Company emphasizes the need for "reliable and affordable energy" from oil and natural gas to lift people out of poverty and improve living standards, and asserts that oil and natural gas will continue to account for a significant portion of global energy demand for decades to come.	Company has misrepresented climate science in its Form10-K. It does this in its assertion that only "some scientists" have concluded that there is a link between rising greenhouse gas emissions in the atmosphere and climate change.

2. What measures is the company taking to reduce its carbon footprint?				
Indicators		**Companies**		
		Company 1	**Company 2**	**Company 3**
2A. GHG emissions targets	**Score**	**Fair (0.0)**	**Poor (-0.5)**	**Egregious (-1.0)**
	Rationale	Company has made a company-wide commitment to reduce greenhouse gas emissions in the service of the Paris Agreement's global temperature. The Company has set two targets, one for Company's energy production business and one for its vehicle fleet. Neither target, however, is science based.	Company has committed to manage greenhouse gas emissions from its operations but has not released a company-wide plan undergirded by a specific temperature goal or target. For example, Company in its CDP response form has stated that it assesses potential carbon-constrained scenarios and views them as risk factors rather than as causes for any company-wide commitment to reduce emissions.	Company has released no plan for reducing greenhouse gas emissions. Although Company alludes to the existence of internal policies and "environmental initiatives," none are pursuant to a wider company-wide commitment or plan to reduce emissions. Company has also made it clear that it views greenhouse gas emissions reduction efforts through the lens of regulatory and legal burdens.
2B. GHG emissions reductions	**Score**	**Advanced (+1.0)**	**Egregious (-1.0)**	**Egregious (-1.0)**
	Rationale	[Company]'s GHG emissions intensity decreased in each of the last two reporting years and has decreased by over 20% over the last two reporting years.	[Company]'s GHG emissions intensity has increased in both of the last two reporting years.	[Company] did not report Scope 1 & 2 emissions in 2015, making the determination of GHG reductions impossible.

2C. Measuring and reducing carbon intensity of supply chain	**Score**	**Good (+1.0)**	**Poor (-1.0)**	**Poor (-1.0)**
	Rationale	Company has taken concrete steps to reduce the carbon intensity of its supply chain in its divestiture of its coal assets and in its pledge to pursue no new investments in coal.	Company has not publicly committed to measure and reduce carbon emissions in its own operations. Although Company has mechanisms in place for minimizing emissions, including leak detection and repair protocols, Company has not signed on to initiatives such as the World Bank's Zero Routine Flaring by 2030 initiative.	Company has stated no public commitment to measure and reduce GHG emissions in its own operations. Company discloses one "environmental initiative" that specifically targets flaring, but Company otherwise makes no reference to other pollutants – such as carbon dioxide – beyond those that Company ar obligated to address due to regulations. Company is also not a party to the World Bank's Zero Routine Flaring by 2030 initiative.
2D. R&D into low-carbon technologies	**Score**	**Fair (0.0)**	**Egregious (-1.0)**	**Egregious (-1.0)**
	Rationale	Company has committed to funding R&D into low-carbon technologies, with some evidence of allocations. The R&D budget disclosed in the CDP response form is only somewhat broken down by technology, and monetary figures are not used to describe existing investments.	Company has not stated a public commitment to investing in R&D into low-carbon technologies. Company does not disclose low-carbon R&D activities or disclose any designated R&D budget for low-carbon technologies.	Company has not stated a public commitment to investing in R&D into low-carbon technologies. Company has not disclosed a budget dedicated to R&D into low-carbon technologies or a high-level R&D budget in its public filings.
2E. Use of an internal price on carbon	**Score**	**Poor (-0.5)**	**Poor (-0.5)**	**Egregious (-1.0)**
	Rationale	Company employs regional carbon prices or sensitivities for assessing investment decisions and project valuations and explains how they are used, but Company does not disclose in its CDP disclosure what those prices are.	Company has set a price on carbon that is employed in investment decisions and Company explains how it is used, but Company does not disclose the price.	Company does disclose the use of an internal price on carbon in investment decisions.

3. Is climate science integral to the governance and oversight of the company?				
Indicators		**Companies**		
		Company 1	**Company 2**	**Company 3**
3A. Delineation of risks and risk management procedures related to climate change	**Score**	**Fair (0.17)**	**Fair (0.0)**	**Poor (-0.67)**
	Rationale	Company pinpoints specific existing and proposed climate -related regulations and laws from jurisdictions from around the world but does not give much analysis on how the company itself would be affected. Company acknowledges the physical risks it faces and includes a discussion of climate change as a contributor to the risks. The company discusses in particular how the gas business would be impacted. Company provides some detail and examples of how it might be affected by market risks and opportunities related to climate change, but provides limited analysis of their potential financial impacts for the company.	Company offers a detailed analysis of existing and proposed climate-related regulations and laws and their possible effects on the company, including potential financial impacts. Company generally notes the physical risks it faces, such as extreme weather, but does not include a discussion of climate change as a contributor to those risks. Company provides some detail or examples of how it might be affected by market and indirect risks and opportunities related to climate change – including climate change-induced shifts in consumer behavior – but provides limited analysis of their potential financial impacts for the company.	Company pinpoint sspecific and existing proposed climate-related regulations and laws that may affect it, but does not address how the company in particular would be affected in detail. Company generally recognizes the physical risks it faces, including severe weather. Although company notes that "some scientists" have concluded that anthropogenic climate change may produce "significant physical effects," company cites this as a hypothetical risk given its misrepresentation of climate science, and thus it cannot be stated with certainty that company recognizes this as a genuine physical risk. Company notes that climate-related legislation or regulations that restrict emission of GHGs may reduce demand for oil and natural gas. However, this claim is not a prevalent theme throughout the Form 10-K.

3B. Delegation of board members and/or committees with explicit oversight of climate change policy	**Score**	**Good (+1.0)**	**Poor (-1.0)**	**Poor (-1.0)**
	Rationale	Company has three board committees that oversee, direct, and monitor progress on issues related to climate change and their responsibilities are delineated, and Company discloses them in its CDP disclosure. One such committee is the committee for Ethics, Environment and Sustainable Development.	Company has no board member or committee dedicated to climate change-related corporate governance. Company cites the wider Board of Directors as bearing the most responsibility for climate change risk in its CDP disclosure.	Company has no board member or committee dedicated to climate change-related corporate governance. Company has a Corporate Sustainability Council, but this is not a formal board committee.
3C. Support of climate-related shareholder resolutions	**Score**	**Fair (0.0)**	**Poor (-0.5)**	**Poor (-0.5)**
	Rationale	Company has not faced any climate-related shareholder resolution during the reporting year according to Ceres.	Company has recommended against two climate-related shareholder resolutions, both of which are cited in the Company's proxy form for the reporting year.	Company has recommended against two climate-related shareholder resolutions, both of which are cited in the Company's proxy form for the reporting year.

4. What are the company's affiliations with third parties that spread disinformation on climate science?				
Indicators		**Companies**		
		Company 1	**Company 2**	**Company 3**
4A. The American Legislative Exchange Council (ALEC)	**Score**	**N/A**	**Egregious (-1.0)**	**Fair (0.0)**
	Rationale	Company has no operations in the association's jurisdiction.	Company is a recent member of the group with a leadership role, and has not taken concrete steps to distance itself from the group's climate change deception.	There is no evidence that company was ever affiliated with association.
4B. The American Petroleum Institute (API)	**Score**	**N/A**	**Egregious (-1.0)**	**Poor (-0.5)**
	Rationale	Company has no operations in the association's jurisdiction.	Company is a recent member of the group with a leadership role, and has not taken concrete steps to distance itself from the group's climate change deception.	Company is listed as a corporate member on association's website.
4C. The National Association of Manufacturers (NAM)	**Score**	**N/A**	**Poor (-0.5)**	**Fair (0.0)**
	Rationale	Company has no operations in the association's jurisdiction.	Company is a recent member of the group and has not taken concrete steps to distance itself group's climate change deception.	Company is not listed as member on association's website, and there is no other evidence showing the extent of the Company's relationship with the association.
4D. The Western States Petroleum Association (WSPA)	**Score**	**N/A**	**Poor (-0.5)**	**N/A**
	Rationale	Company has no operations in the association's jurisdiction.	Company is a recent member of the group with a leadership role, and has not taken concrete steps to distance itself from the group's climate change deception.	Company has no operations in the association's jurisdiction.

5. Does the company publicly support the need for climate policies and regulations?				
Indicators		**Companies**		
		Company 1	**Company 2**	**Company 3**
5A. Regulations, carbon tax, emissions trading, renewable energy, CCS, etc.	**Score**	**Fair (0.0)**	**Poor (-0.5)**	**Egregious (-1.0)**
	Rationale	Company has indicated on its public platforms that it supports climate-change related policy and regulations in principle. For example, Company has expressed support for carbon pricing and for certain renewable energy subsidy and compensation schemes. However, there has been no specific legislation which the company has taken a position.	Company has publicly expressed opposition to climate policies and regulations, but has not used climate science disinformation as justification for its opposition. For example, Company's CEO has expressed opposition in some form to carbon pricing, emissions trading, GHG emissions standards, and policies for promoting renewable energy on public platforms.	Company does not express any support for climate-related policies and regulations in company platforms. For example, while company does mention policies and regulations in its Form 10-K, it is only in the context of regulatory risk. Company CEO has made public statements expressing displeasure regarding the regulatory burden on oil companies.
5B. Paris Agreement	**Score**	**Good (+0.5)**	**Egregious (-1.0)**	**Egregious (-1.0)**
	Rationale	Company has consistently supported polices to advance the Paris Agreement and its temperature targets. In its CDP response form, for example, Company explicitly cites its years-long support of the Agreement, cites the temperature target, and used that to support carbon pricing.	Company has been silent on the need for policies and regulations to advance the Paris Agreement, with the Agreement not being mentioned in Company's corporate responsibility report or Form 10-K. Company's CEO has made public remarks suggesting that Company is skeptical of the enactment of the Agreement.	Company makes virtually no references to the Paris Agreement on the company website. References made in the Form 10-K are only in the context of regulatory risk. Company CEO has supported the U.S.'s withdrawal from the Accord.

6. Has the company been publicly transparent about its positions, actions, and affiliations with regard to climate science and climate change?				
Indicators		**Companies**		
		Company 1	**Company 2**	**Company 3**
6A. Webpage dedicated to climate change	**Score**	**Good (+1.0)**	**Good (+1.0)**	**Poor (-1.0)**
	Rationale	Company maintains a separate page devoted to climate change.	Company maintains a separate page devoted to climate change.	Company does not maintain a separate page devoted to climate change
6B. Stand-alone Sustainability Report	**Score**	**Good (+1.0)**	**Good (+1.0)**	**Poor (-1.0)**
	Rationale	Company produces an integrated, easily accessible report that has a section on climate change.	Company produces a corporate responsibility report that is easily accessible with a section dedicated to climate change.	Company does not produce a sustainability or similar report with a section dedicated to climate change.
6C. Disclosure to CDP	**Score**	**Good (+1.0)**	**Good (+1.0)**	**Poor (-1.0)**
	Rationale	Company responded to the CDP Questionnaire.	Company responded to the CDP Questionnaire.	Company did not respond to the CDP Questionnaire.
6D. Disclosure of third-party relationships and lobbying activities	**Score**	**Fair (0.0)**	**Fair (0.0)**	**Poor (-1.0)**
	Rationale	Company discloses some – but not all – affiliations with or payments to trade associations or lobbying groups on its website and public filings.	Company discloses some – but not all – affiliations with or payments to trade associations or lobbying groups on its website and public filings.	Company does not disclose affiliations with or payments to trade associations or lobbying groups on its website or public filings.
6E. Report on 2°C scenarios	**Score**	**Poor (-1.0)**	**Good (+1.0)**	**Poor (-1.0)**
	Rationale & Source Data	Company did not produce and publish a 2°C scenario report in the reporting period.	Company produced and published a 2°C scenario report in the reporting period.	Company did not produce and publish a 2°C scenario report in the reporting period.