



The opportunity of energy transition.
Do customers value CSR initiatives?

-

The case of BP

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1-Abstract

This dissertation approaches BP's strategy of achieving Net Zero emissions until 2050 in the context of energy transition, announced in February 2020. It relates BP's decision of actively working to achieve carbon neutrality with the historical changes the company has undertaken. Moreover, this strategic decision was also analysed in the light of known Corporate Social Responsibility (CSR) frameworks. A double phase research design was chosen. Correspondingly, an exploratory interview with a BP Communications & Advocacy Advisor was realized from which more insight into BP's strategy was collected. Following that, in the context of the new direction in strategy and the Drive Carbon Neutral (DCN) program promoted by the company in Portugal, a survey directed at customers and potential customers was performed. The results allowed us to conclude that previous knowledge of the DCN campaign is related with a perception of higher importance of BP to energy transition and that this perception is also improved when information is presented directly to customers and potential customers. Further investigation on this topic would allow to deepen and generalize the results, either in the context of other Oil & Gas companies or in other research frameworks and methodologies.

Keywords: Energy Transition, Responsible Business, Strategy, Corporate Social Responsibility, Energy Sector, Oil & Gas, BP, Net Zero Emissions

Resumo

Esta dissertação aborda a estratégia da BP de atingir emissões Net Zero até 2050 no contexto da transição energética, anunciada em Fevereiro de 2020. Relaciona a decisão da BP de trabalhar activamente para atingir a neutralidade carbónica com mudanças históricas que a empresa conheceu. Esta decisão estratégica foi ainda analisada à luz de estruturas estabelecidas de Responsabilidade Social Corporativa. Foi escolhida uma metodologia de investigação com duas fases. Consequentemente, realizou-se uma entrevista exploratória com uma Assessora de Communications & Advocacy da BP, da qual se recolheu mais informação sobre a estratégia da empresa. De seguida, no contexto da nova direcção estratégica e do programa Drive Carbon Neutral (DCN) promovido pela BP em Portugal, executou-se um questionário a clientes e potenciais clientes. Os resultados permitiram-nos concluir que o conhecimento prévio da campanha DCN está relacionado com uma percepção de maior importância da BP para a transição energética e também que esta percepção melhora quando se informa directamente clientes e potenciais clientes. Investigação futura dentro deste tema permitirá aprofundar e generalizar os resultados, tanto no contexto de outras empresas de Petróleo e Gás, como noutras estruturas e metodologias de investigação.

Palavras-chave: Transição Energética, Negócios Responsáveis, Estratégia, Responsabilidade Social Corporativa, Sector Energético, Petróleo e Gás, BP, Zero Emissões Líquidas

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3-Introduction

“The world’s carbon budget is finite,
and it is running out fast.”¹

We can say the world’s carbon budget has been mismanaged as the 20th century unfolded. It was a period in which humankind saw great improvements in basic health conditions and quality of life and one that led to a decreased child mortality rate which, in turn, made population numbers grow exponentially. There were 1.6 billion people in the world in 1900 and 6 billion in 2000.² It was in the same period that the oil industry established itself and oil products became a crucial commodity for the everyday life of all the people able to escape extreme poverty. Fossil fuels fundamentally changed societal organization, especially in more developed countries: people now relied on vehicles with internal combustion engines for transportation and distribution of goods, standardized industry replaced manufacture and people moved from the countryside to cities to work in the factories. These cities grew quickly and transitioned from being built with solely stone and wood to concrete and asphalt. Eventually, we saw these changes reach even lower income countries. This economic development was also responsible for deforestation. All these continuous processes released carbon into the atmosphere and eventually nature could no longer absorb it all. As a result, these negative side effects began to build up. As carbon emissions rose and nature’s absorbing agents were depleted, change was necessary.

Building on the carbon budget idea: if we see carbon emissions as an expense and carbon capture as revenue it may make the necessity of balancing them more palpable. If more carbon is emitted than captured, then there is no escaping the greenhouse effect and temperatures will rise worldwide with the nefarious consequences we all know and want to avoid. Today, we have a highly unbalanced carbon budget where we emit too much and capture too little. In order to pay that debt before it’s too late, it is necessary to work on both fronts: we need less emissions and more ways to capture and store carbon.³

¹ Looney, “Reimagining Energy, Reinventing BP,” 3.

² Rosling, *Factfulness: Ten Reasons We’re Wrong About The World - And Why Things Are Better Than You Think*, chap. 3.

³ “Net Zero by 2050: A Roadmap for the Global Energy Sector,” 47.

The energy that powered humanity's rapidly developing economies over the past century had the obvious downside of causing carbon emissions. While the world is looking forward to solving the emissions problem, no one is willing to go back to the way of life we had during the second Industrial Revolution, more than one hundred years ago. Hence, scaling back energy production is a no go. What we must do in order to avoid the worst consequences of climate change is to figure out ways to produce energy without causing carbon emissions. Furthermore, we must capture carbon in a large scale to compensate the emissions we have had to do and will do in the future.⁴ Something of this magnitude isn't achieved overnight. It requires a process: we refer to it as energy transition.

3.1-Problem Statement and Research Questions

On February 12th, 2020, Bernard Looney, BP's newly appointed CEO, made a speech communicating BP's new purpose: "Reimagining energy for people and our planet". This new purpose represents the commitment to reach net-zero emissions by 2050 and helping the world get there too.

"But it is more than having to change – we want to change, because it is the right thing for the world, and it is a tremendous business opportunity for BP."⁵

One year and two months after Bernard Looney's speech in London, the International Energy Agency issued a report where the oil and gas industry are said to have the possibility to "play a key role in helping to develop at scale a number of clean energy technologies"⁶ and that "Scaling up these technologies and bringing down their costs will rely on large-scale engineering and project management capabilities, qualities that are a good match to those of large oil and gas companies."⁷ BP had already made their first steps into playing that key role.

This bold initiative positioned BP at the forefront for the solution of this global challenge, pushing the entire industry. Some of their key competitors such as ExxonMobil (in January 2022)⁸,

⁴ "Net Zero by 2050: A Roadmap for the Global Energy Sector," 181.

⁵ Looney, "Reimagining Energy, Reinventing BP," 2.

⁶ "Net Zero by 2050: A Roadmap for the Global Energy Sector," 105.

⁷ "Net Zero by 2050: A Roadmap for the Global Energy Sector," 105.

⁸ "ExxonMobil Announces Ambition for Net Zero Greenhouse Gas Emissions by 2050."

the Chevron Corporation (in October 2021)⁹, Eni (in May 2021)¹⁰, Shell (in February 2021)¹¹ and Total Energies (in September 2020)¹², have since announced pledges to reach net zero emissions until 2050.

BP chose to adopt a pro-active and ambitious position towards the change that governments would inevitably impose upon them and saw it as a business opportunity, with the added benefit of first mover advantage. This was done in opposition to a mere reactive stance, that would try to push back policy changes to blindly maintain their highly successful business model.

Undoubtedly, this was an inspiring position to take. It even inspired some of BP's major competitors. But how do their stakeholders, and particularly their customers, feel in regard to this?

The commitment to energy transition has had a particular expression in Portugal as the Drive Carbon Neutral program, a pilot-project of emissions offsetting.

This dissertation aims to relate BP's new strategy with aspects of established Corporate Social Responsibility frameworks, to analyse the involvement of the customers and potential customers in the company's transition. Corporate Social Responsibility has been part of the business jargon for more than 60 years.¹³ Over the course of this time, several frameworks have emerged with their own specificities, tailored to address everchanging challenges that society and businesses have had to address. In present times, complex issues such as climate change and the necessity for energy transition - "the greatest challenge humankind has faced"¹⁴ - require a joint action from governments, companies and citizens.¹⁵ Finally, we will test the effect of informing customers about this initiative on their perception of the importance of BP's actions for a successful energy transition.

In this context, the following Research Questions are proposed:

RQ1 – Are customers aware of the Drive Carbon Neutral program?

RQ2 – Are customers aware of the transformation BP is going through?

RQ3 – Do costumers recognize BP as an important player in energy transition?

RQ4 – What would be the effect of giving more information?

⁹ Affairs, "Chevron Sets Net Zero Aspiration and New GHG Intensity Target."

¹⁰ "Eni for 2020 – Carbon Neutrality by 2050."

¹¹ "Shell Accelerates Drive for Net-Zero Emissions with Customer-First Strategy."

¹² "Strategy, Sustainability & Climate Presentation."

¹³ Carroll, "Corporate Social Responsibility: The Centerpiece of Competing and Complementary Frameworks," 87.

¹⁴ "Net Zero by 2050: A Roadmap for the Global Energy Sector," 13.

¹⁵ "Net Zero by 2050: A Roadmap for the Global Energy Sector."

4-Literature review

Corporate Social Responsibility has been a conceptualized topic for as early as the 1950's. Since then, a series of related and to some degree overlapping concepts have been used by academics and executives such as: Business Ethics (BE), Stakeholder Management (SM), Sustainability, Creating Shared Value (CSV) and Strategic Corporate Social Responsibility (SCSR).¹⁶¹⁷¹⁸ While academics have defined and specified what each of them means and implies, executives seem to use them interchangeably¹⁹, sometimes adopting a seemingly newer or more captivating term to appear to be at the forefront of these issues.²⁰

But what is common to all these frameworks is their core, based on the fact that “modern businesses are expected to do more than make money and obey the law”²¹, which challenges Milton Friedman’s view that businesses’ sole pursuit of profit would be enough to serve society as a whole.²²

Howard Bowen’s book “Social Responsibilities of the Businessman” laid a foundation to modern CSR²³ – it is focused on the moral responsibility of the individual businessman (note the use of singular) and provides a prescriptive code of conduct. Its ethical basis is connected to a religious Protestant baseline and anchored in the American context of important 20th century events such as the Great Depression and World War II. It was written in a time when corporate legitimacy was generally accepted.²⁴

The 1960s social movements in the United States of America included women’s, civil and consumer rights, as well as a desire for environmental protection.²⁵ This context, in combination with “growing trends in the U.S. economy: the rapid professionalization of management, the unprecedented growth of corporate size and concentration since the end of the 19th century, and the

¹⁶ Carroll, “Corporate Social Responsibility: The Centerpiece of Competing and Complementary Frameworks.”

¹⁷ Porter and Kramer, “Creating Shared Value.”

¹⁸ Chandler and Werther, *Strategic Corporate Social Responsibility*.

¹⁹ “To be sure, some adherents to these concepts see them as distinct and preferable. When you read through the business press or listen to business practitioners, however, you cannot help but conclude that those speaking often are referring to the same phenomenon but with a slightly nuanced emphasis” Carroll, “Corporate Social Responsibility: The Centerpiece of Competing and Complementary Frameworks, 90.

²⁰ Carroll, “Corporate Social Responsibility: The Centerpiece of Competing and Complementary Frameworks.”

²¹ Carroll, 87.

²² Friedman, “The Social Responsibility of Business Is to Increase Its Profits.”

²³ Carroll, “Corporate Social Responsibility: The Centerpiece of Competing and Complementary Frameworks,” 87.

²⁴ Carroll, 88.

²⁵ Carroll, 87–88.

controversial issue of the separation between ownership and control”²⁶ along with the lack of welfare policies provided nationwide by public institutions, called for a more substantial action from corporations. Society and its growing expectations and closer examination towards businesses could no longer rely solely on isolated individual’s actions taken by concerned businessmen, hence the necessity of making social responsibility a matter of the company, and not only the individual.²⁷

Carroll explains that some analysts considered Business Ethics as a measure of corporate leaders’ behaviour in association with known scandals and misconduct, distinguishing it from CSR which is seen as comprehending the entire firm in a broader sense, while both concepts are propositions to describe and analyse corporate behaviour.²⁸

The term Stakeholder Management has been complementary to CSR and BE since the 1980s and emerges from the idea that there are several groups affected or related to business operations and decisions, hereby having a stake in them. Stakeholders are diverse and characterized by their varying legitimacy, power and urgency. Companies that engage in SM focus on understanding their stakeholder’s stakes and the responsibilities they pose, but also the opportunities they provide. Often, stakeholder thinking is undertaken by companies that see themselves in that broader scope and want to act in ways that serve their stakeholders.²⁹

As for Sustainability, the term gained popularity in the 1990s and is seen as a more neutral term since it doesn’t confront businesspeople with the term ‘responsibility’. It advocates a long-term perspective in which the present is handled in a way that safeguards the future and involves economy, environment and society (often referred to as triple bottom-line) that is widely followed by many companies.³⁰ Bansal & DesJardine³¹ distinguish Sustainability from responsibility by highlighting that Sustainability requires intertemporal trade-offs and relates organizations to their economic, societal and ecologic systems. From his perspective, Sustainability as a balance between these systems and the firm and argues that concepts such as responsibility and shared value that are described as generating value for society and firms are “nothing more than good business”³², and that they can ignore crucial intertemporal trade-offs.

²⁶ Gond, Introduction to the New Edition in Bowen, *Social Responsibilities of the Businessman*, xii.

²⁷ Carroll, “Corporate Social Responsibility: The Centerpiece of Competing and Complementary Frameworks,” 88.

²⁸ Carroll, 91–92.

²⁹ Carroll, 92.

³⁰ Carroll, 92–93.

³¹ Bansal and DesJardine, “Business Sustainability.”

³² Bansal and DesJardine, 71.

Thus, CSR today encompasses aspects of the previously mentioned frameworks.³³ Surprisingly, Business Ethics, a term still in use to this day and coined in the early 80s, is quite close to the moral nature of Bowen's work, in the sense that it concerns individual behaviour and a prescriptive way of acting. These characteristics distance this concept from the broadness of other CSR frameworks, which are more demanding, as "an outcome of a dynamic interplay between sectors [state sector, market sector and civil sector] in which one or more sectors seek to address particular social needs by taking on new roles and responsibilities."³⁴

In more recent times, we can notice the emergence of another particular concept: the Creation of Shared Value that implies that not only companies are engaged in global societal issues and concerns, but, moreover, companies internalize these global concerns as a sense of purpose from which they are expected to increase their own performance and create long-term value. This is to say that companies engage with stakeholders as partners, hence creating shared value, i.e., measurable benefits for each of them.³⁵

Today's socio-economical context calls for energy transition.³⁶ Corporations such as BP have realized the business opportunity represented by this necessity: future national and international regulations will represent a substantial investment in lower carbon energies, accompanied by a possible departure from incentivizing production of Oil & Gas, traditional products for large scale firms in the energy business such as BP. Together with the social perception of climatic emergency, this context pushed BP to pledge to have net zero emissions by 2050 and completely redefine itself as an 'Integrated Energy Company'³⁷ moving away from its previous identification as an 'International Oil Company'. By doing so BP is aiming to be considered as part of the solution, and as a reliable partner either for policy makers or for climatic aware citizens, while also seizing a business opportunity. A true joint force is at place generating benefits for: the policy maker spheres – that can demonstrate the effectiveness of an otherwise very difficult to achieve long-term environmental goal; the consumers and potential consumers (i.e. society at large) – that can choose to direct their consumption choices to companies that show a commitment to what they perceive

³³ Carroll, "Corporate Social Responsibility: The Centerpiece of Competing and Complementary Frameworks."

³⁴ Trapp, "Corporation as Climate Ambassador," 459.

³⁵ Porter and Kramer, "Creating Shared Value."

³⁶ "Net Zero by 2050: A Roadmap for the Global Energy Sector," 3.

³⁷ See appendix 1

as emergent global issues; and, finally, the company itself that can enhance its performance by capturing investments and new markets.

“We focus on sustainability not because we're environmentalists, but because we are capitalists” says Larry Fink in his latest letter to CEOs. Picking up on Carroll’s definition of Sustainability, in the way that it is not only a responsibility towards others, but above all an intrinsic priority choice that permeates all business actions, we could say that BP chose to focus on Sustainability back in 2020 because there is considerable business opportunity for energy companies that do so. An integrative approach, as proposed by CSR, is an instrument to move in that direction.

Towards the end of his article, Carroll pointed CSV as a possible future framework deriving from CSR. Porter and Kramer analysed this concept in depth in the 2011 article “Creating Shared Value”. They saw CSV as a key framework to approach both financial performance and addressing global societal issues. In their view, CSV is the solution to the perception that companies are “prospering at the expense of the broader community”. This framework proposes a more direct bond between societal and economic progress, in which companies provide a unique value that neither NGOs or governments can, by increasing wealth and efficiency, generating employment, and meeting human needs.³⁸

The contact point between societal and economic needs is, according to them, the creation of value, which is defined in a business-like fashion as benefits minus costs. The relation of these two variables is quite similar to the way businesses see profit as revenue minus cost and opens the door to greater efficiency in addressing societal issues, as governments and NGOs tend to understand success simply as the achieved benefits or the amount of money expended.³⁹

They argue that governments have often legislated in ways that made shared value harder to realize, which fuelled the wrongful idea that the pursuit of society goals and corporate goals is incompatible. In a time where society’s trust in companies is hampered, companies can use their skills to create social progress by finding new products and markets, building local industry clusters and increasing productivity in the value chain. The result of these processes, in their view, could well legitimize companies again while improving society.⁴⁰

³⁸ Porter and Kramer, “Creating Shared Value.”

³⁹ Porter and Kramer.

⁴⁰ Porter and Kramer.

Another concept approached by Porter and Kramer, this time in their 2006 article “Strategy & Society” is the framework of Strategic CSR, which was further elaborated by Chandler & Werther⁴¹. It occurs when an organization has the initiative of addressing social issues within its value chain or related to firm operations and integrates that into its strategy. (ir ver porter e Kramer e elaborar um pouco)

They define it in this way: “The incorporation of a *CSR perspective* within a firm’s strategic planning and *core operations* so that the firm is managed in the interests of a broad set of *stakeholders* to *optimize value* over the *medium to long term*”. The highlighted concepts are pointed as the key components of Strategic CSR.

The *CSR perspective* is the integration of CSR in strategy, culture and processes, considering each decision through its impact on the firm’s stakeholders.

The *core operations* concept functions as a perimeter to actions undertaken by the company, which should be limited to the company’s operational sphere and specific expertise, focusing on their value chain.

In opposition to Friedman’s shareholder primacy, Chandler & Werther argue that “different *stakeholders* should be prioritized for different issues”⁴². Considering the interests of a broader set of stakeholders will ultimately benefit the company and in turn, the shareholders, so they alone shouldn’t be at the top of the priorities list.

Likewise, in opposition to profit maximization, Chandler & Werther argue that “a more valuable focus for firms is profit *optimization*”⁴³. This is achieved by considering integrating externalities to balance production and incorporating costs in the consumption side. They consider that the term ‘profit optimization’ encourages managers to take into account a broader set of stakeholder interests, balancing short-, medium- and long-term decisions.

The final component of Strategic CSR is precisely the move towards *medium to long term goals* as Chandler & Werther assert that “Managers have to concentrate a disproportionate amount of time on quarterly results, dividend levels, and share price to satisfy shareholders”⁴⁴. The idea of two types of shareholders is also presented, with one type being the investors, that look for firms whose share price is a reflection of solid economic foundations, and the other speculators, who are

⁴¹ Chandler and Werther, *Strategic Corporate Social Responsibility*.

⁴² Chandler and Werther, 373.

⁴³ Chandler and Werther, 375.

⁴⁴ Chandler and Werther, 378.

much more short-term oriented, seeking tiny price fluctuations, regardless of the true value of a stock. Chandler & Werther stress that serving speculators makes focus shift away from the organization's overall health and toward preserving the individual's capital commitment.⁴⁵

This position is quite aligned with Paul Polman's actions with Unilever, in 2010. When it was announced that Unilever would transition from releasing quarterly earnings figures to semiannually doing so (as the company was then focusing on longer term goals), big speculators such as hedge-funds exited their positions. The desired effect of this measure was to attract "more patient capital"⁴⁶ and it was ultimately achieved. Despite the initial decrease in share price, just two years later, the stock had recovered and was 35% above the value before the announcement. An intertemporal trade-off had been made, as Bansal & DesJardine describe.

Quite far to this course of action, despite also seeking long term value, BP committed to "Performing while transforming", meaning that their "investor proposition remains unchanged"⁴⁷, treasuring their investors. BP's strategy takes queues from Chandler & Werther's components of SCSR such as the focus on core operations and integration of a CSR perspective into strategy, considering the various stakeholders.

Porter's differentiation strategy is also a relevant framework to analyse BP's strategy, as BP's new initiatives are a good combination with its fuel quality claims in order to "command a premium price"⁴⁸. Hence, we observe a continuity in this front, even as BP seeks to offer other energy products alongside its traditional scope of Oil & Gas.

⁴⁵ Chandler and Werther, 378.

⁴⁶ Bansal and DesJardine, "Business Sustainability," 70.

⁴⁷ Looney, "Reimagining Energy, Reinventing BP," 13.

⁴⁸ Magretta, *Understanding Michael Porter*, 124.

5-Methodology

5.1-Research Approach, Methodological Choice and Research Design

Given the intention to analyse the involvement of stakeholders in BP's process of energy transition from the point of view of the information transmitted to customers, this dissertation fits under the umbrella of **pragmatist research**. This means we are "interested in practical outcomes"⁴⁹, being sure that "concepts are only relevant when they support action"⁵⁰. Being this study conducted in a real-life setting and context, it also qualifies as **Case-Study research**, intending to understand the dynamics of the company within the framed research topic.

We worked through this broad subject from a **deductive approach**, anchoring our reasoning on data collected through a **multi-method qualitative study**, since we intended to understand both BP's and the customer's perspectives regarding energy transition and the role of BP in that context, and relate those perspectives to the existing literature referring to the field of Corporate Social Responsibility.

To gain access to both perspectives, the research was designed as a **double phased sequential exploratory study** where a BP representative was addressed through an exploratory semi-structured interview and the customers through a short survey. The research work was thus **cross-sectional**, having been conducted between early December 2021 and March 2022.

5.2-Case-study

For this case-study, we used a combination of primary (qualitative and quantitative) and secondary data. The primary data was extracted from a semi-structured interview with Helena Tomázio, BP's Communications & Advocacy Advisor, C&A Europe, Portugal and Spain, and from a survey targeted to customers. The combination of qualitative and quantitative methods allowed to work from qualitisied and quantitisied perceptions, given the interpretative nature of the four research questions unfolding from the main research topic:

RQ1 – Are costumers aware of the Drive Carbon Neutral program?

RQ2 – Are they aware of the transformation BP is going through?

RQ3 – Do costumers recognize BP as an important player in energy transition?

⁴⁹ Saunders, Lewis, and Thornhill, *Research Methods for Business Students*, 151.

⁵⁰ Kelemen and Rumens, 2008 in Saunders, Lewis, and Thornhill, 151.

RQ4 – What would be the effect of giving more information?

5.3-Data Collection: instruments and procedures

Interview:

An exploratory semi-structured interview was conducted with Helena Tomázio, BP's Communications & Advocacy Advisor, C&A Europe, Portugal and Spain, about the company's new identification as an Integrated Energy Company. This switch implied a dramatic change of strategy, projecting the corporation into the ambition of being carbon neutral by 2050 or even earlier.

The interview focused on understanding the context of BP's new identity and purpose, its communication challenges, the Drive Carbon Neutral program in particular, and the moment in history when BP chose to commit to this major transformation, which constitute the guidelines for it. As the interviewee was a BP Communications & Advocacy Advisor, she provided important background and contextual material determinant to clarify information collected on other scattered sources. Some documental information (secondary data) was also made available in confidentiality (and therefore, not presented in the Appendixes section), albeit it's importance to the maturation of the research topic.

The semi-structured interview was held in Portuguese as it is both the interviewee and the interviewer's native language, for the duration of approximately 30 minutes. With permission from Helena Tomázio, the interview was audio recorded and later transcribed and revised.

Survey:

The survey (see Appendix 2) was designed in the aftermath of the exploratory phase of the study, incorporating concepts and topics that emerged either from the interview or from the literature. It was targeted to a sample of Oil & Gas companies' consumers as potential BP clients and was distributed online through social media and in person on BP stations. The main goal was to collect data on the consumer's perspectives of BP's role in the context of energy transition.

The survey was structured in order to test the effect of new information about BP's plans for energy transition on customers' perception. As the survey would be distributed not only online, but also directly to customers while they fuelled their vehicles, having a short survey was a priority to have as many completed surveys as possible. This proved to be a crucial decision as it was later

found out that people in gas stations are always in a hurry and the quick nature of the survey made getting more responses possible.

To establish a baseline, Q3 was preceded by information from the IEA regarding energy transition, without referring any of BP's sustainability pledges. Q5 was preceded by information about BP's commitment to Net Zero emissions by 2050 and some of the most relevant targets until 2050. Q1 and Q2 had the function of giving a fuller picture of the type of fuel customer the respondents were: what they valued the most when selecting a particular filling station and how regularly they preferred BP. Q4 was a 'yes or no' question, inquiring if the customers had knowledge of the Drive Carbon Neutral campaign, and had the function of testing if there was a correlation between a higher baseline impression of BP's importance to energy transition and a 'yes' response to Q4.

6-BP

6.1-Overview – How we got here

“Starting in 1908 with the discovery of oil in Persia, our story has always been about transitions – from coal to oil, from oil to gas, from onshore to deep water, and now onwards towards a new mix of energy sources as the world moves into a lower carbon future”⁵¹

This is the first quote we see in the “Our history” tab of BP’s website. It certainly puts into perspective the actions the company is taking today toward energy transition. In fact, BP has hardly been a static company in its more than 100 years of history.

The first period worth highlighting is the one that started just a few weeks before the breakout of World War I. BP was near bankruptcy and the British government signed a contract with BP that included 20 years oil supply for the navy and a majority shareholding. Oil was still a fairly new resource at the time and there was resistance in departing from coal, an already common and established fuel at the time. The period between the wars was one of consolidation and expansion, with the discovery of new oil fields in Persia and rampant daily production, acquisition of significant distribution network in the UK, the beginning of the automobile era and gas and electricity replacing kerosene for heating. As World war II ended, the Anglo-Iranian Oil Company (Persia changed to Iran in 1935) expanded throughout Europe.

Here, **transition** meant reacting to emergent necessities and helping in the UK’s war efforts.

Another key point in BP’s history was the lead up to the 1970s where nationalistic political turmoil roared in the Middle East and previously poor countries started questioning foreign companies’ right to profit off of their natural resources. After 1971, most oil-rich nations in the region announced that within the next 10 years, all their oil resources would be nationalized. These were bad news for BP as, for reference, in 1975, 80% of BP’s oil came from the Middle East. But the good news were that significant oil reserves had been found off the shore of Scotland (Forties field), in the North Sea, and on the northern shore of Alaska. These projects implied the development of bold engineering solutions: one because of the roughness of the sea in the winter,

⁵¹ “Our History | Who We Are | Home.”

and the oil field location being 160km from shore and 100m deep; the other because it involved building a 1200km pipeline over permafrost, it was “the largest civil engineering project ever attempted in North America, and one of the most carefully watched”⁵². By 1987, after 73 years of partial ownership the British Government sold their last shares of BP.

Here, **transition** meant prospection of new kinds of sources and state of the art engineering solutions.

The next decade started with financial trouble for BP, but through several significant mergers and acquisitions and the frontier exploration in countries such as Colombia, Angola and Azerbaijan, the company was in a much more favourable position in 1995. BP was now a supermajor. In 1997, then Group Chief Executive Lord John Browne made a speech acknowledging global warming as a serious threat to the world and defending that action was needed. Subsequently, in 2000, BP rebranded itself by giving the meaning of Beyond Petroleum to their letters. In 2005, BP introduced BP Alternative Energy, a bold plan to invest \$8 billion in low carbon energy and renewables. Also in 2005, there was a tragic explosion in a Texas refinery that killed 15 and injured more than 170 workers. Spills were reported in 2006 in their pipelines of the Alaskan exploration. In 2010, the Transocean Deepwater Horizon drilling rig suffered an explosion, fire and subsequently sank, killing 11 workers and creating a spill from the Macondo well that lasted 87 days, “the largest marine oil spill in history”⁵³. With its image severely hampered, and under financial problems, many of BP’s solar and wind assets were sold off, “quietly abandoning the 2001 rebrand”⁵⁴.

Here, **transition** meant trial and failure.

In the wake of the 2010 disaster, Bob Dudley stepped up as Group Chief Executive and presented a 10-point plan to ensure stability and restore trust and value. A new auditing safety division was created, dividends were suspended and \$38 billion of non-core assets were sold to control the financial slide. In 2012, a \$25 billion natural gas project was started in the Caspian Sea and construction of the largest super-computer complex for commercial research in the world was initiated. The company recovered financially and large-scale accidents were avoided. In the

⁵² “Late Century – 1971-1999 | Who We Are | Home.”

⁵³ “After Abandoned ‘Beyond Petroleum’ Re-Brand, BP’s New Renewables Push Has Teeth.”

⁵⁴ “After Abandoned ‘Beyond Petroleum’ Re-Brand, BP’s New Renewables Push Has Teeth.”

beginning of 2020, just before the Covid-19 pandemic spread globally, Bernard Looney replaced Bob Dudley as CEO. He promptly announced that BP would pursue a new goal: to become a Net Zero carbon emissions company until 2050 or sooner. With that, he also announced a new purpose: *Reimagining energy for people and our planet*. BP, until 2030, committed to reduce 40% of its production of oil and gas, while increasing investment in renewable and low carbon energies by ten times, totalling \$5 billion. While following queues of the early millennium initiative, this pledge met a much better context, as the Net Zero emissions goal by 2050 is shared with several countries and organizations and prices for renewable and low carbon energy infrastructure are low. This means that “trillions of dollars are going to be invested in replumbing and rewiring the global energy system”, which makes for a business opportunity great enough to justify the divestment in the company’s main commodities: oil and gas.

Here, **transition** means ambitious, measurable commitments and pushing the entire industry.

6.2-Strategy - 2020 pledge

“Inevitably, the most fertile opportunities for creating shared value will be closely related to a company’s particular business, and in areas most important to the business. Here a company can benefit the most economically and hence sustain its commitment over time. Here is also where a company brings the most resources to bear, and where its scale and market presence equip it to have a meaningful impact on a societal problem.”⁵⁵

Picking up on the narrative of transitions – “our story has always been about transitions”⁵⁶ – the present time surely a moment of thorough reinvention for BP. After more than a century of consistently investing in the prospection of Oil and Gas, that continuity has met an inflection point, where the company is planning to disinvest from these core resources. While the priority until then was to ensure reliable and affordable energy, in 2020 we observe a strong commitment towards providing the same reliability and affordability while transitioning to cleaner sources.

Simultaneously, the present time is a time of significant business opportunity as well. As Helena Tomázio stated in the interview she conceded in the context of the elaboration of this thesis (full

⁵⁵ Porter and Kramer, “Creating Shared Value,” 181.

⁵⁶ “Our History | Who We Are | Home.”

Portuguese transcription on Appendix 1), in line with Bernard Looney's February 2020 speech, trillions of dollars will be invested in rewiring the global energy system, where renewables, hydrogen and biofuels will assume a prominent position.⁵⁷ More than guaranteeing economic viability to this new direction, this fact assures BP that they will not be an isolated entity in this transition, but part of a global movement towards lower emissions. This gave BP the confidence to move forward with their commitments ahead of their competitors.

There is a Portuguese saying that would translate to something like this: "For big woes, big remedies"⁵⁸. Due to the scale of the task of energy transition⁵⁹, no company or government can do it on their own, but BP's scope and scale as an Oil & Gas giant allows for the capacity of having worldwide impacts. While we could think that this scenario mainly called for new clean energy players to enter the picture, and it certainly does, corporations with the scale of BP, provided with a robust strategy and a short to mid-term action plan, hold the key to achieving a successful transition in due time.⁶⁰

BP's 2020 pledge could also be related to Porter & Kramer's Creation of Shared Value concept, since it "involves creating economic value in a way that also creates value for society by addressing its needs and challenges."⁶¹

Thus, BP was a pioneer, and had the confidence that other big players in the industry would follow. On the one hand, with these new long-term goals, an upstream-downstream internal structure was no longer the most efficient way of operating. The new structure is anchored on four core competences: operations, customers, low carbon and innovation, and is reorganized in 11 teams led by Vice-Presidents who form the new leadership team.⁶² Worth mentioning the creation of a new role of VP for Strategy and Sustainability, seeking to further integrate these concepts into the firm's core, in a way that reminisces Chandler & Werther's first component of Strategic Corporate Social Responsibility. As referred previously in this thesis (Chapter 3)

⁵⁷ Looney, "Reimagining Energy, Reinventing BP," 4.

⁵⁸ "Para grandes males, grandes remédios."

⁵⁹ "Doing so requires nothing short of a total transformation of the energy systems that underpin our economies." – "Net Zero by 2050: A Roadmap for the Global Energy Sector," 3

⁶⁰ "Net Zero by 2050: A Roadmap for the Global Energy Sector," 13.

⁶¹ Porter and Kramer, "Creating Shared Value," 159.

⁶² Looney, "Reimagining Energy, Reinventing BP."

Chandler & Werther stress the importance of the “CSR Filter – a screen through which strategic and tactical decisions are evaluated for their impact on the firm’s various stakeholders”.⁶³

On the other hand, BP’s actions sought to generate synergies across the Oil & Gas industry, knowing that it is mandatory to join efforts to address such a demanding global context.

Bernard Looney summarizes this new strategy in three points:

“From all I have said, these are the three things I hope you take away today.

First, BP is setting out to be a net zero company by 2050 or sooner, as well as helping the world get there.

Second, we are taking on a fundamental reorganisation of the company – possibly the most wideranging in over a century.

And finally, we commit to performing while transforming – operating safely and reliably as well as delivering on the promises we have made to our shareholders.”⁶⁴

6.3-BP Portugal – the Drive Carbon Neutral program

In parallel to these restructuration actions, BP also promptly started to test exploratory programs that could contribute to achieving their goals. A good example is the Drive Carbon Neutral campaign.

The Drive Carbon Neutral program was launched in July 2020 in Portugal as a pilot project of emissions offsetting. This means that the carbon released to the atmosphere from the extraction of crude oil to the emissions made by BP costumers in their vehicles and every activity in between is accounted for and offset by the purchase of equivalent carbon credits, which fund projects that contribute to the recapture of the same amount of carbon released by all these activities. In this case, more than 30.000 ovens were provided to people in Mexico that still cooked using open fire. The efficiency gained by the use of ovens meant that less carbon was emitted, as 60% less wood was used.⁶⁵

At first glance, it could seem that initiatives like this one would be able to solve the emissions problem at once, but the sheer amount of carbon emissions is so high at the moment that the world

⁶³ Chandler and Werther, *Strategic Corporate Social Responsibility*, 370.

⁶⁴ Looney, “Reimagining Energy, Reinventing BP,” 14–15.

⁶⁵ See appendix 2

really has no option other than drastically reducing emissions, as nature, even with boosted capability created by carbon capturing projects, has no capability to absorb them all back.

What would be the relevance of carbon offsetting initiatives then? According to BP⁶⁶, even by 2050 and having achieved net zero emissions, there will still exist emissions. For example, oil consumption by then is expected to be close to 20% of the 2020 consumption. These residual emissions will have to be offset in order to achieve the net zero goal, hence the importance of testing different models of emissions offsetting, in which the Drive Carbon Neutral program is inserted.

While seriously being an emissions neutralizing program on the surface, the analysis of this initiative also represented an important input BP Portugal received from customers regarding their perceptions on “Carbon Neutral” and “Carbon Offsetting”. The results of the campaign certainly provide valuable knowledge to BP about this crucial stakeholder. Innovatively, this was also an engagement strategy since BP perceived the initiative as an offer to their customers, providing a very simple way to neutralize emissions’ impact without the need for any action by the customer.

While promoting positive association with the brand, the campaign also had the intention of encouraging behaviour change⁶⁷, as the marketing campaign focused on incentivizing customers to use their car less.⁶⁸ It is a creative way of engaging these stakeholders with the new direction the company is taking.

⁶⁶ See Appendix 2

⁶⁷ See Appendix 2

⁶⁸ See Appendix 3

7-Results Analysis

Survey⁶⁹ responses were collected both in person, throughout in three different days at BP stations (Lisbon – Parque das Nações and Domingos Sequeira stations; Porto – 5 de Outubro station), and online, where the survey was distributed through social media. There was a total of 480 surveys started and a total of 446 completed.

Q1 results – The most prevalent reason in the choice of where to fill up

The main goal in Q1 was to understand the main reason leading customers to choose a certain filling station. The most chosen response was “Location convenience”, with 146 responses, followed by “Cheapest price (excluding promotions)”, with 124, and “Promotions/Partnership with supermarket”, with 97 responses. The less chosen options were “Environmental responsibility issues” with just two responses, “Other” with 7, “Fuel Quality” with 33 responses and “Company Deal” with 37.

Q2 results – Percentage of fills made at BP

In Q2 the goal was to understand how much customers used BP filling stations. Most of the responses concentrated on the low usage range (0-20%) and the high usage range (80-100%). These categories got 212 and 112 responses, respectively. The options in between were less chosen, with 46 responses in the range 20-40%, 36 in 40-60%, and lastly 40 from 60-80%.

Q3 results – Information about the importance of the energy sector to energy transition– How relevant is BP to energy transition?

This question was preceded by information from the International Energy Agency’s 2020 report⁷⁰ where the high relevance of the energy sector to energy transition is highlighted.

Using the Net Promoter Score, mentioned in chapter 4, from the total amount of responses, we observed that 298 responses to this question would be considered Detractors. There were also 99 responses that under the Net Promoter Score, would be classified as Passive, and 49 responses classified as Promoters. The average of the results was 5.43 and the standard deviation was 2.55,

⁶⁹ See Appendix 2

⁷⁰ “Net Zero by 2050: A Roadmap for the Global Energy Sector.”

on a scale from 0 to 10 where 0 corresponds to not relevant and 10 to extremely relevant. A comparison between the results to this question and those of Q5 can be seen on Figure 2 below. This question was used to establish a baseline and study the impact of the information that would appear before Q5 had on customers.

Q4 results – Knowledge about the Drive Carbon Neutral Program

In this question, the goal was to understand the reach of the Drive Carbon Neutral program and possibly relate the knowledge about the program with perceptions the costumers may have about the company’s importance to energy transition, evaluated in Q3 and Q5. The results show that only 16.14% of respondents knew the DCN program (72 responses “Yes”). The remaining 83.86% did not know the program (374 responses “No”).

Q5 results – Information about BP’s transition plans – How relevant is BP to energy transition?

Before this question, information was provided about BP’s Net Zero emissions until 2050 ambition, and some of the most important targets until 2030 were underscored, namely the investment of \$5billion in low carbon energy sources, including renewables such as solar and wind energy, biofuels and hydrogen and also the 40% reduction in production of oil and gas. The goal of the question was to infer the effect of this information by comparing these results with the ones from Q3.

Net Promoter Score						
Category	PRE		POST		DIFF	
Depreciator	298	67%	113	25%	-185	-62%
Passive	99	22%	188	42%	89	90%
Promoter	49	11%	145	33%	96	196%

Table 1 - Result comparison between Q3 and Q5 (pre- and post-information about BP); Diff refers to the progression in responses in each category Q3 and Q5 in absolute value and percentage

Regarding Table 1, and using the Net Promoter Score categories, the results show a significant decrease of 41% in Detractors (responses ranging from 1 to 6), accompanied by an increase of 27% in Passives (responses ranging from 7 to 8) and a serious increase of 66% in Promoters (responses ranging from 9 to 10). The average response was 7.46 with a standard deviation of 2.10.

In Figure 1, we can observe both distributions of NPS before (“Pre” series, represented in blue) and after (“Post” series, represented in orange) the information about BP’s plans for energy transition is given to the consumer.

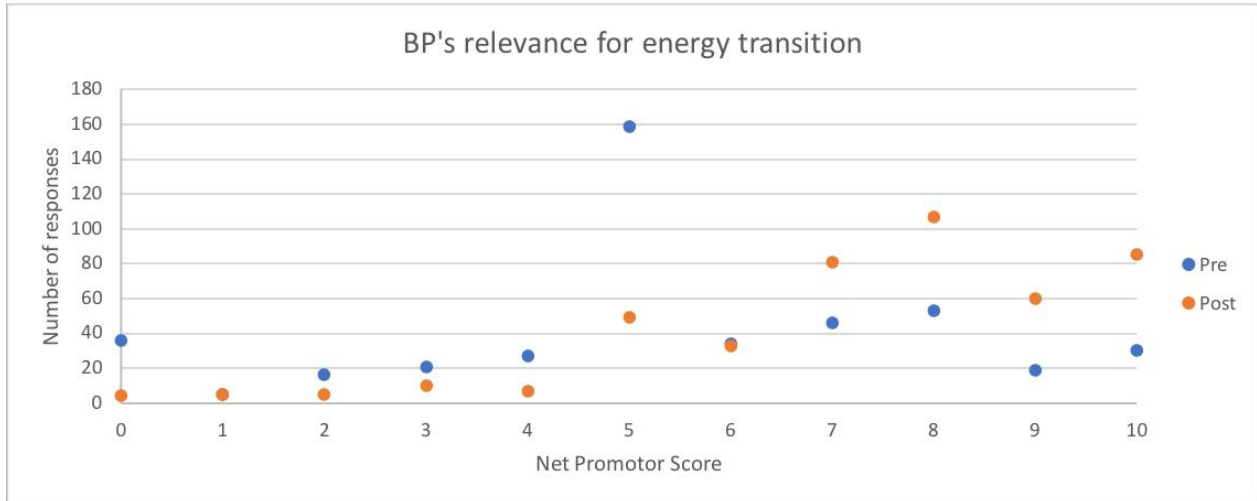


Figure 1 - Distribution of responses to Q3 and Q5 (pre- and post-information about BP)

From these results we can conclude that the average score from Q3 and Q5 increased in 2.03. Looking at Table 2 below, we can see that the results increased more if the person did not know the Drive Carbon Neutral program. This could be due to the greater impact information about BP’s transition plans would have for a person that was not aware of any of BP’s sustainable initiatives when compared with a person that was aware of the Drive Carbon Neutral Program.

NPScore Post - NPScore Pre		
Avg total	Avg No DCN	Avg Yes DCN
2.03	2.14	1.46

Table 2 - Difference between NPS after and before information regarding BP was provided. Avg total stands for the overall average difference, Avg No DCN considers the average difference for the cases where the consumer did not know about DCN while Avg Yes DCN considers the responses of drivers that knew the program beforehand.

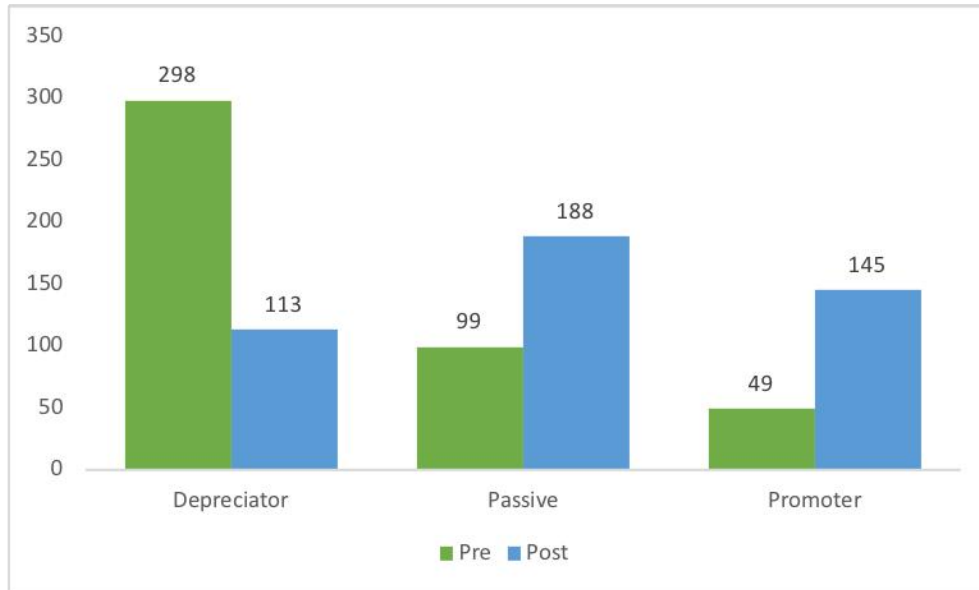


Figure 2 - Number of responses per NPS category, Q3 and Q5 (pre- and post-information)

The configuration of Depreciators, Passives and Promoters is altered from Q3 to Q5 (pre- and post-information about BP) as we can see in the Figure 2. From one question to the other, the number of Depreciators decreases drastically by more than half, the number of Passives increase and the number of Promoters almost triples.

% of fills	Responses	DCN - Yes	Perception pre	Perception post	Diff (perception)
0-20%	212	17%	4.94	7.23	2.29
20-40%	46	22%	5.43	7.09	1.65
40-60%	36	8%	5.58	7.86	2.28
60-80%	40	13%	6.60	8.05	1.45
80-100%	112	17%	5.91	7.73	1.82

Table 3 - Distribution of responses to Q3 (perception pre-information), Q4 (DCN – Yes – the percentage that knew the program) and Q5 (perception post-information) by response to Q2 (% of fills)

From Table 3, we can observe that the percentage of times a customer fills up at a BP station does not affect progressively the probability of knowing the Drive Carbon Neutral program. When analysing the change in perception from Q3 to Q5 (pre- and post-information about BP), we observe that the ones that most changed their perceptions were the ones that fill at a BP station from 0 to 20% of the time, and the ones that do it from 40 to 60% of the time. Curiously, the group with greater percentage of customers that know about the DCN program is the one that fills up at BP 20-40% of the time.

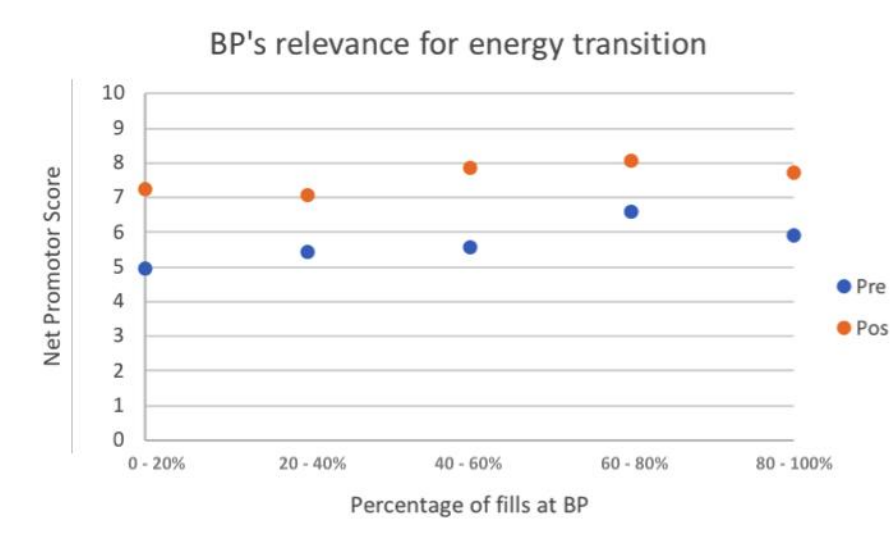


Figure 3 - Responses to Q3 and Q5 (pre- and post- information) by response to Q2

From Figure 3, we observe that it appears to exist a small correlation between how much of a regular BP customer a person is and the baseline perception of the company being slightly higher, as we can observe that the highest values in the pre-information about BP (blue dots) are the ones corresponding to the 60-80% and 80-100% ranges, respectively 60-80% and 80-100% of fills made at a BP station.

Most prevalent reason	0-20%	20-40%	40-60%	60-80%	80-100%	PRE	POS	DIFF
Company deal	17	1	1	0	18	6.32	7.46	18%
Location convenience	51	21	13	17	44	5.60	7.44	33%
Other	5	1	0	0	1	5.86	7.43	27%
Cheapest price (excluding promotions)	87	12	11	8	6	4.95	7.37	49%
Promotions/Partnership with supermarket	42	8	7	13	27	5.26	7.36	40%
Fuel quality	9	3	3	2	16	6.06	8.21	36%
Environmental responsibility issues	1	0	1	0	0	4.00	8.00	100%

Table 4 - Responses to Q2, Q3 (pre-information average response) and Q5 (post-information average response) by response to Q1 (the scale of colours ranges from dark green for the highest value, yellow for intermediate values and to red for the lowest, line by line)

From Table 4, we can observe that the customers that prefer the cheapest price are the ones that most change their perspective of BP's relevance to energy transition when presented with the information of BP's commitments. We have to disregard the ones that chose environmental responsibility issues as the most prevalent reason when choosing a fuel station, due to the small sample, as we have only two respondents that fell in this category. We can also see that fuel quality,

company deals, location convenience and partnerships with supermarkets and promotions are the main factors leading customers to prefer BP.

The awareness of the existence of the Drive Carbon Neutral program did not change significantly across the different most prevalent reasons.

DCN										
	Depreciator		Passive		Promoter		Average		stdev	
Knows?	Pre	Post	Pre	Post	Pre	Post	Pre	Post	pre	post
Yes	39	17	25	33	8	22	5.79	7.25	2.56	2.11
No	249	90	85	161	40	123	5.38	7.53	2.55	2.10

Table 5 - Combination of responses to Q3 and Q5 by NPS category and response to Q4, with averages and standard deviations (stdev)

From Table 5, analysing the Net Promoter Score categories before and after the information about BP’s sustainability project was provided, combined with the knowledge about the Drive Carbon Neutral program, we observe that the number of promoters went from 48 to 145 after the information was given.

As the values generally increased from Q3 to Q5, and are therefore closer to the upper limit of the scale, a slight decrease in standard deviation is not a surprise.

8-Results Discussion

Looking back, the research questions (see chapter 2) were established in order to measure BP's client's knowledge about the company's transformation from International Oil Company to Integrated Energy Company, and everything that this change implied. The research questions access both the customer's awareness of the Drive Carbon Neutral program and the transformation BP is going through, and the recognition of BP as an important player in energy transition and the effect of being exposed to more information about this topic. By engaging with these stakeholders, we tested what the effects of directly giving information about this transition would be while also trying to relate their positions with other indicators such as the frequency in which they refuel at a BP station, knowledge about the Drive Carbon Neutral program, and their most prevalent reason when choosing where to fill up their fuel tank.

Regarding RQ1, "Are customers aware of the Drive Carbon Neutral program?", we can answer this question with the results from Q4 of the survey. As we saw in the Data Analysis (chapter 5), only 16.14% of the customers surveyed knew the Drive Carbon Neutral program. We can therefore deduce that, in general, BP's clients are not aware of this initiative. The expectation was that this awareness would be higher, given the sheer number of outdoor marketing materials scattered throughout BP's stations regarding the campaign, including the ones where data was gathered. From Table 3, we can observe that customers that do 80-100% of their fills at a BP station do not have a significantly higher awareness of this initiative than others, even though they are more often exposed to this information.

As for RQ2: "Are customers aware of the transformation BP is going through?", we can use the data from Q3. Before the question, clients were provided with information from the International Energy Agency about the necessity for energy transition and the major responsibility the energy sector has in reducing emissions overall. A client aware of BP's new sustainability related plans would recognize the importance of BP's actions in assuring an effective and smooth energy transition. There were 49 responses of 9 to 10 to this question of the survey, which we classify as Promoters according to the Net Promoter Score. Of those, only 4 changed their classification from Q3 to Q5. But a second look considering these 49 respondents' answer to Q4 can suggest another interpretation: 41 of these respondents did not know about BP's Drive Carbon Neutral program, so

it is unlikely they were aware of the other initiatives beforehand. Possibly, these people gave a very high relevance to BP's importance to energy transition not because they knew about BP's ongoing transformation, but because they see BP as a highly polluting company. However, this cannot be confirmed with data from this survey. The overall average answer to Q3 of 5.43 (which would be categorized as Detractor) shows that most of the clients are not aware of BP's sustainable projects before being presented with information about it.

As for RQ3: "Do costumers recognize BP as an important player in energy transition?", we can conclude that, after receiving the information, on average, customers have more recognition for BP's relevance to energy transition than before. While the average response to Q3 is 5.43, the average response to Q5 is 7.46, a significant increase. This increase in average response is an indicator that points in this direction, as there was a clear positive effect of receiving more information on the perception of BP's relevance to energy transition, which answers RQ4 "What would be the effect of giving more information?".

8.1-Limitations and Future Research

At the time when the survey was performed at BP stations and distributed online (late March 2022), fuel prices were close to record levels. Thus, customer sensitivity to BP's goal to reduce emissions and becoming a Net Zero company until 2050 was possibly not the best, as the high prices were the customers' main concern.

We also have to consider the sample size. While being enough for this study, a more extensive sample would be needed to generalize results to the population. Gathering more data from more locations could also give insight about whether or not these results are location sensitive.

Finally, as the study only considers one company, future research could be pursued in other Oil & Gas companies.

9- Conclusions

This is a time like no other for companies. Society as a whole is starting to demand their active participation in energy transition, which will change not only the way we produce, transport, store and consume energy, but also the way we produce and consume almost every other category of product. As we studied how the energy sector and society interacted in meaningful ways throughout the past century, and specifically how BP handled its various transitions until now, we realize that BP continues to transform itself with society.

While the recent commitment to energy transition elicits some degree of surprise, as the company departs its focus from what are, and were, its core products, it can, as well, be seen in the light of a wider time frame as a continuity, as BP changes following society's pace. From the survey realized in the context of the elaboration of this thesis we learned that BP's customers and potential customers react in positive ways when obtaining information about the recent initiatives and goals the company is pursuing. Furthermore, we observe that initiatives such as the Drive Carbon Neutral program have a beneficial impact towards consumer's image of BP and its value to energy transition. Finally, SCSR has revealed itself to be an up to date and reliable framework for addressing contemporary (everchanging and increasingly complex) businesses challenges and will probably continue to be pertinent.

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11- Appendices

11.1- Interview with Helena Tomázio

December 6th – Helena Tomázio – BP’s Communications & Advocacy Advisor, C&A Europe, Portugal and Spain

1. Papel da BP no mundo/missão

Desde que lançámos a nossa nova ambição de ser uma empresa de zero emissões líquidas de carbono até 2050 ou antes e ajudar o mundo a atingir o mesmo objetivo, apresentámos também uma estratégia de como vamos atingir esse objetivo. E essa estratégia passa por nos transformarmos de ser uma companhia petrolífera internacional focada na produção de recursos, para sermos uma empresa de energia integrada focada em oferecer soluções para os clientes. Isto significa que, quer a nível dos produtos, das fontes de energia que fazem parte do nosso portefólio, isso também muda bastante. Ou seja, já não serão só o petróleo e o gás natural que farão parte do nosso “core business”, mas também as energias renováveis (como a solar e eólica), os biocombustíveis e o hidrogénio terão um papel cada vez mais importante no nosso portfólio. Ou seja, até 2030 pretendemos aumentar dez vezes o investimento que fazemos hoje em energia de baixo carbono (de \$500 milhões para \$5.000 milhões) ao mesmo tempo que reduzimos em 40% a produção de petróleo e gás. De referir que nenhuma outra empresa petrolífera apresentou objetivos tão ambiciosos. O nosso foco vai ser também trabalhar com cidades, com regiões e indústrias, para juntos podermos encontrar soluções que ajudem a reduzir as emissões de carbono. Portanto, toda esta transformação, que começou com o anúncio da estratégia em Fevereiro de 2020, teve continuidade durante o resto de 2020 e 2021. Eu diria que continuamos com a nossa transformação, um ponto muito importante, que tem a ver com a importância que nós identificámos em, quer as empresas que já são hoje “verdes” ou de baixo carbono serem consideradas em termos de matriz, de soluções, ser importante também considerar empresas como a BP, que, apesar de não serem “verdes” hoje estão comprometidas em serem “mais verdes”, ou seja com menor impacto ou pegada em termos de emissões de carbono até 2050. Portanto, eu acho que estas duas áreas específicas: quer a nova estratégia de transformação de International Oil Company to Integrated Energy Company e a segunda, que também está obviamente alinhada com esta, e com todo o nosso Sustainability Frame, tem a ver com a importância de também as empresas que estão comprometidas a ter menor carbono nesta jornada

serem consideradas e não excluídas, porque há muito essa conversa de “você são os responsáveis pela crise climática” e portanto não tem um papel a desempenhar para resolver esta crise (...) Ao contrário: numa crise, todos temos um papel a desempenhar e só vamos conseguir resolver esta crise se todos fizermos um esforço na mesma direção. Nós temos essa escala e essa capacidade de poder ter impacto em termos globais e queremos dentro dos tempos do acordo de Paris, que parece muito tempo mas é num instante. Nós sabemos que 70% das emissões estão concentradas no sector da energia, no sector dos transportes ou mobilidade e na indústria pesada. Ao actuar directamente nestas áreas e no fundo ajudando as empresas que (estão) trabalham nestas áreas a se transformarem, conseguimos ter um impacto muito maior porque não vamos conseguir criar novas empresas 100% verdes (até) para conseguirmos atingir os objectivos (porque elas). Mesmo que criássemos novas, e é verdade que existem muitas, É importante vermos a escala a que estas empresas podem atuar. se nós pensarmos na Tesla, que é uma grande empresa e precisamos de mais empresas com a Tesla.

A Tesla vendeu em 2020 cerca de 500.000 carros eléctricos. É um número grande, mas é menos de 1% dos mais de 70 milhões de carros vendidos em 2020 e menos de 3% do que vendeu a General Motors e o grupo Volkswagen no mesmo período. Ou seja, se queremos ajudar a resolver as alterações climáticas, sim, precisamos de mais empresas “verdes” como a Tesla, e muitas mais. Mas precisamos sobretudo que as empresas que não são “verdes” hoje se tornem “mais verdes” e, no limite, “verdes”. Precisamos que os grandes grupos como a GM e a Volkswagen também produzam carros eléctrico e híbridos (e felizmente estão a fazê-lo) e utilizem a sua escala para produzir impacto no setor da mobilidade, porque só a Tesla ou mais uma ou duas Tesla que surjam não serão suficientes para que a transformação aconteça. Daí a importância de apoiar aquelas empresas que hoje não são vistas como verdes, mas estão comprometidas e têm uma estratégia e um plano de ação a curto e médio prazo para se transformarem.

2. Objectivo “net zero” até 2050: Que desafios é que este objectivo coloca em termos de comunicação?

Há uma barreira, uma percepção, que ainda é preciso no fundo desmistificar ou é preciso um esforço não só a nível de explicar, em termos de opinião pública, o que de bom ou de importante, empresas como a BP podem trazer em termos de reduzir as emissões no sector da energia. E,

portanto, em termos de barreiras ainda há muito em termos de opinião pública, o entendimento que as empresas petrolíferas são a causa do problema e continuam a produzir petróleo e não estão a terminar, ou seja, a encerrar a causa do problema. Mas eu acho que é importante as pessoas perceberem que não é possível haver um “vamos fechar agora as torneiras do petróleo e vamos só produzir energia renovável” porque todo o nosso sistema energético, nos últimos cem anos, tem sido assente maioritariamente em petróleo e gás (e já não falamos no carvão). Não seria sequer socialmente aceitável e economicamente aceitável, porque mesmo que todas as empresas petrolíferas deixassem de produzir, haveria um colapso imediato do sistema energético, porque a tecnologia disponível, de renováveis ou outros, não está pronta com uma escala para substituir. Eu acho que as grandes barreiras são ainda a parte educativa, no fundo, explicar que é uma transição, que não é de repente que somos os grandes responsáveis pela crise climática atual porque até há trinta anos, eu acho que também as pessoas têm essa ideia. Ou seja, há 30 anos atrás, havia também suficiente biodiversidade, capaz de absorver as emissões de carbono da nossa actividade, da actividade do Homem. Se nós pensarmos, o dióxido de carbono nós expelimos quando respiramos. Claro que toda a actividade económica, com a industrialização nós voltamos ao tempo da escola quando demos a Revolução Industrial: tudo isso tem contribuído para termos mais qualidade de vida, para tirar países e economias dos níveis mínimos de pobreza. Mas realmente nos últimos trinta anos, com o crescimento exponencial da população, este equilíbrio de biodiversidade já não existe. O planeta já não é capaz, sozinho, de absorver as emissões e, portanto, muitas delas vão para a atmosfera e criam o tal efeito de estufa, que é o que conduz ao aquecimento global do planeta. Portanto, há aqui também uma necessidade de explicar que sim: há cem anos quando a BP e as outras empresas petrolíferas foram criadas, o mundo era muito diferente do que é hoje. Mas durante estes últimos cem anos todo o sistema energético esteve baseado nestas fontes de energia, o petróleo e o gás. Eu acho que as grandes barreiras é ao nível de explicar e educar as pessoas e haver a disponibilidade das pessoas, porque isto tem que ser um esforço de todos, ou seja, por um lado as pessoas querem soluções mais verdes, mais limpas e sabemos que há um preço, de momento a tecnologia não é tão acessível como a do petróleo, mas depois também não estão dispostas a pagar esse valor adicional para terem comportamentos mais alinhado com a sua conduta e com a necessidade que todos temos de sermos mais consciente em termos da nossa actuação mais sustentável. Portanto eu diria que a parte educativa é a grande barreira.

3. Voltando ao mercado português, especificamente olhando para o programa Drive Carbon Neutral, como contextualizaria este programa face a este movimento que vemos da BP a nível mundial? Seria possível ser aplicado noutros países?

Sim, é um case study, a BP em Portugal foi pioneira, não só na indústria em Portugal mas também noutros países, não há nenhuma empresa petrolífera que tenha um programa de neutralização das emissões que seja tão simples. Não é preciso subscrever nenhum programa, os clientes abastecem na BP, a BP faz a neutralização dessas emissões através da compra de créditos de carbono, que financiam projectos de baixo carbono, de energias renováveis, de reflorestação. Houve realmente esta oportunidade que nós identificámos, que é em Portugal mas também global das pessoas estarem receptivas a poderem participar neste caminho para uma neutralidade carbónica. A BP identificou como uma oportunidade que é simultaneamente uma oferta para as pessoas que abastecem na BP, portanto é uma campanha de combustíveis, tal como têm pontos de fidelidade com o cartão premierplus, os próprios combustíveis ultimate, que permitem com o mesmo depósito conduzir mais 56 km. Este programa Drive Carbon Neutral tem esse componente de ser mais um benefício para os clientes que decidem ser clientes BP. Ao mesmo tempo, tem uma componente de ajudar. Em termos institucionais da BP, nós quisemos ter esta iniciativa também com a expectativa que houve mais empresas no mercado que nos seguissem, que lançassem esquemas semelhantes para mais rapidamente podermos compensar as emissões decorrentes da mobilidade. Isso não aconteceu até agora mas para nós continua a ser muito relevante e realmente tem esta dupla valência. É óbvio que nós sabemos que não é a solução final porque idealmente, e isto é algo que a BP também está a fazer, por exemplo em termos de mobilidade, a instalação de carregadores eléctricos nos postos. Porque nós sabemos que, sobretudo em termos de mobilidade urbana, os carros eléctricos serão a grande resposta para reduzir as emissões e portanto ao mesmo tempo que temos este programa de neutralização, estamos a investir em termos de mais pontos de carregamento eléctrico nos nossos postos. Sabemos que a compensação carbónica não é a solução final, mas é uma forma pragmática de reduzir emissões, enquanto a tecnologia não está disponível de uma forma abrangente em termos de mobilidade. O que também é espectável é que todos nós antes de pegarmos no carro pensemos duas vezes. [inaudível] Enquanto isso não é possível o que a BP procura fazer é compensar. Infelizmente não temos nenhum programa em Portugal que faça parte dos programas apoiados

pelo bp Target Neutral, e isso também sabemos do estudo, que eu depois vou partilhar com o Francisco, as pessoas tendem a sentir-se com mais vontade de participar no programa se virem que o seu abastecimento está a ajudar uma empresa ou instituição em Portugal ou está a plantar árvores no nosso país. Em Portugal não temos ainda nenhum programa que pertença ao BP Target Neutral. Mas sabemos que estamos a ter impacto em geografias onde esta ajuda é muito importante, em países como o México em áreas rurais onde as pessoas ainda usam fogueiras para se aquecer e cozinhar alimentos. Com os créditos de carbono que estão disponíveis dentro do programa bp Target Neutral, estamos a usar estes fundos para podermos instalar fornos que são mais eficientes em termos energéticos e que usam 60% menos lenha que uma fogueira tradicional, que é um dos programas do BP Target Neutral, que nós gostamos muito de falar, fornos eficientes e já instalámos mais de 30000 fornos em casas rurais no México. Conseguimos fazer a diferença em locais onde essa ajuda é mais precisa. Felizmente na Europa e em Portugal já há também uma consciência ambiental bastante grande, as pessoas já sabem o que têm que fazer para serem mais sustentáveis, mas nós enquanto não temos nenhum projeto português estamos a fazer uma diferença em lugares onde esta ajuda é mais precisa.

Mesmo em 2050, nos cenários mais optimistas, ainda haverá 20% do consumo de petróleo. Não é possível fazer a transformação neste horizonte temporal. O que nós sabemos é que a neutralização ou compensação é o residual. Nós queremos realmente actuar em termos de transformar a BP, reduzindo a produção de petróleo, investido mais em renováveis, de forma a que, em 2050, seja só uma parte muito residual de emissões que nós não conseguimos com a tecnologia disponível, com o tempo que temos para a neutralizar. Essa neutralização far-se-á através desses programas de compensação. Nós e todas as empresas e os países que têm também essas metas. Porque, no fundo, o que não conseguimos neutralizar num sítio estamos a compensar noutro. Voltamos aos projectos de reflorestação, conseguir ajudar a utilizar a energia de uma forma mais eficiente, de modo a reduzir emissões. Mas não é o objectivo final, não é a mecânica ideal, porque não muda comportamentos, é só porque para sermos neutros em carbono até 2050, e essa é a nossa ambição, vamos dizer que conseguimos neutralizar na nossa estrutura 90%, mas há 10% de emissões, que ainda são muitas toneladas, que se calhar vamos ter que compensar porque não temos forma neste horizonte temporal de as eliminar.

4. Qual a importância desta transição para a BP? Porquê agora, o que caracteriza este momento (2020)?

Claramente a crise climática já era um ponto importante, já não era sustentável continuarmos a fazer as coisas como tínhamos vindo a fazer nos últimos cem anos. Havia mesmo a necessidade de mudar e havia também uma oportunidade em termos económicos muito importante porque nos próximos 30 anos vão ser investidos triliões, como dizem os nossos amigos americanos, em fazer este rewiring do sistema energético mundial, passar de óleo, gás natural e carvão para uma matriz energética onde renováveis, hidrogénio e biocombustíveis terão um papel cada vez mais importante, e onde a percentagem de petróleo e gás irá reduzir gradualmente. Este cenário de investimento irá permitir às empresas que atuam no setor de energia desenvolver o negócio das energias de baixo carbono e fazer a transição. É importante, é o que precisa de acontecer, mas há de facto uma oportunidade de negócio muito importante. Quem está neste mercado da energia, se realmente estiver disponível e comprometido para agarrar esta oportunidade, há realmente uma oportunidade muito grande em termos de negócio. Esse foi o grande ponto de viragem. Forças externas e internas nós tínhamos mesmo que mudar, o mundo hoje é muito diferente do mundo de há cem anos, as expectativas da sociedade também em relação a empresas como a BP são totalmente diferentes. Nós queremos energia que seja reliable, affordable mas também tem que ser limpa. A variável do “limpa” é o que realmente é importante agora implementar para conseguirmos atingir os nossos objectivos de um planeta mais sustentável.

11.2- Survey – Question list

1. Qual o critério mais prevalente na sua escolha do posto de abastecimento? (randomized options)
 - Conveniência de localização
 - Preço mais barato (sem contar com promoções)
 - Qualidade dos combustíveis
 - Promoções/parcerias com supermercados
 - Acordo empresarial
 - Questões de responsabilidade ambiental
 - Outro

2. Que percentagem dos seus abastecimentos faz num posto BP?
 - 0-20%
 - 20-40%
 - 40-60%
 - 60-80%
 - 80-100%

3. Segundo o relatório da International Energy Agency de 2020, o sector da energia (incluindo a produção, transporte e consumo dessa mesma energia) gera globalmente cerca de três quartos dos gases de efeito de estufa e é a chave para evitar os piores efeitos das mudanças climáticas.
Como avaliaria a relevância da BP neste contexto da transição energética?
0-10 (Net Promoter Score)

4. Conhece o programa Drive Carbon Neutral?
 - Sim
 - Não

5. A BP apresentou, em 2020, uma estratégia ambiciosa que se alinha com o objetivo de zero emissões líquidas de carbono até 2050. No âmbito desse plano, foi anunciado até 2030 um aumento em 10 vezes do investimento em energias de baixo carbono (de \$500M para \$5.000M), como as renováveis – eólica e solar – biocombustíveis e hidrogénio. Até 2030 está também planeada uma redução em 40% da produção de petróleo e gás. Nesse contexto, a BP redefiniu-se como Empresa de Energia Integrada, em oposição à anterior identificação como Companhia Petrolífera Internacional.

Face a isto, como avaliaria a relevância da BP para a transição energética?
0-10 (Net Promoter Score)

11.3. Drive Carbon Neutral marketing materials

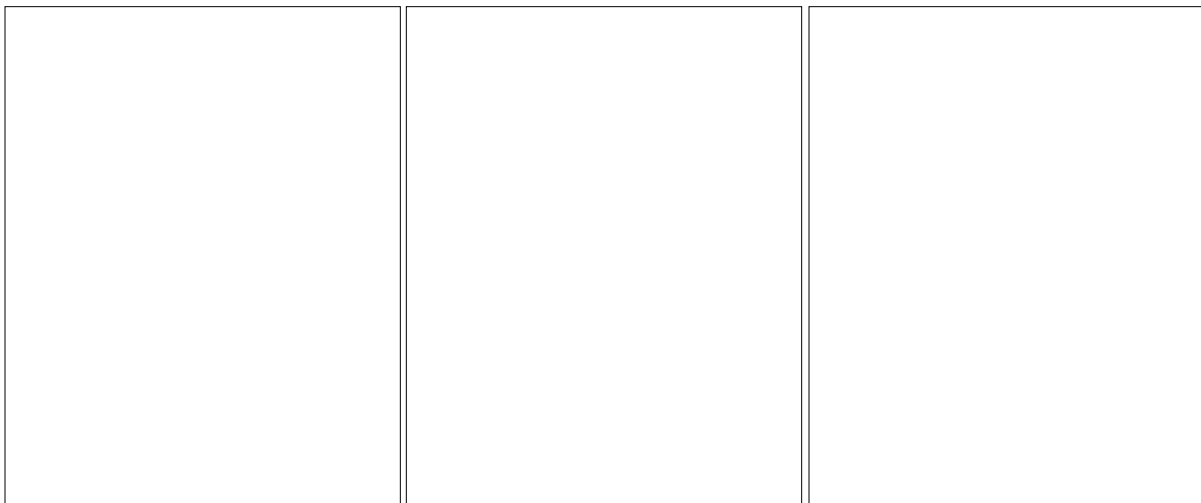


Image 1 - Drive Carbon Neutral MUIPs ©Studio Nuts