

Bp: british petroleum essay samples

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Discussion Board 5: BP

According to the 2013 Annual Report and Form 20-K for BP (British Petroleum): “ BP is one of the world’s leading integrated oil and gas companies. We aim to create long-term value for shareholders by helping to meet growing demand for energy in a safe and responsible way. We strive to be a world-class operator, a responsible corporate citizen and a good employer” (BP, 2013). Trading on the NYSE as an ADR currently at \$36.55, out of the top 11 companies, BP is fifth with a market capitalization of \$113B, with Exxon first at \$317B, and other leading competitors between \$123B and 203B. BP has shown substantive growth since the 1970s, with dividends nearly every year, and a top stock price of around \$75 in 2003. By 2008, that subsided, and by the Horizon disaster in 2010, the stock has hovered-around the current price (Google Finance. com, 2014). As recent federal court cases have challenged the more benign role BP claimed with Horizon, whether or not BP generally is acting in the best interest of their shareholders is questionable. Additionally, Horizon pointed to other inconsistencies of being “ safe and responsible,” much less, “ . . . a responsible corporate citizen and good employer” (BP, 2014). Within the Chairman’s Letter, C. H. Svanberg recognizes legitimate claims of Deepwater Horizon made against BP, and seeks to pay them. Concurrently, BP will remain in the court system to resist strongly against “ any attempt to take advantage of BP . . .” (BP, 2014). Prominently displayed within the report were pictures and attendant descriptions of members of BP’s safety, ethics and environment assurance committee (SEEAC) visiting various locations around the world, as BP has interests in 80-countries, and just completed a nearly 20% stake in the

Russian firm, Rosneft, the world's largest publicly traded oil company. Whether BP will continue to attract shareholder approval should be directly attributable to how it continues to position itself truly as “ a world class operator” (BP, 2014). For instance, had SEEAC really been doing their mandate, then perhaps the Deepwater Horizon incident would not have happened. Prior to this incident, BP claimed quite publically “ to be laser focused on safety” (Bryant & Hunter, 2010). Additionally, since BP has interests in the very ecologically ‘ dirty’ Canadian oil sands, maybe the company would do better to relieve themselves of that potential liability to focus more on meeting consumer demand through other assets, such as with Rosneft.

References

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