



# Sustainability Forum

03 February 2021

*Reimagining  
energy*

# Agenda



London Start Time	Duration (mins)	Agenda Item	Objective	Pre-Read	Lead
15:00	10	Agenda review	Inform	Yes	K. Goddard
15:10	25	Purpose of Sustainability Table & fit into wider governance	Endorse	Yes	K. Goddard
15:35	25	Discuss sustainability progress to date	Discuss	No	Sustainability VPs
16:00	30	Review 2021 sustainability high level plan & new aims	Inform	No	K. Goddard
16:30	10	Break			
16:40	25	Discuss & Recommend CEO water mandate	Recommend	Yes	M. Wingfield
17:05	15	Review of 2021 & 1Q policy priorities	Endorse	Yes	P. Jefferiss
17:20	10	Wrap-up		No	K. Goddard

2

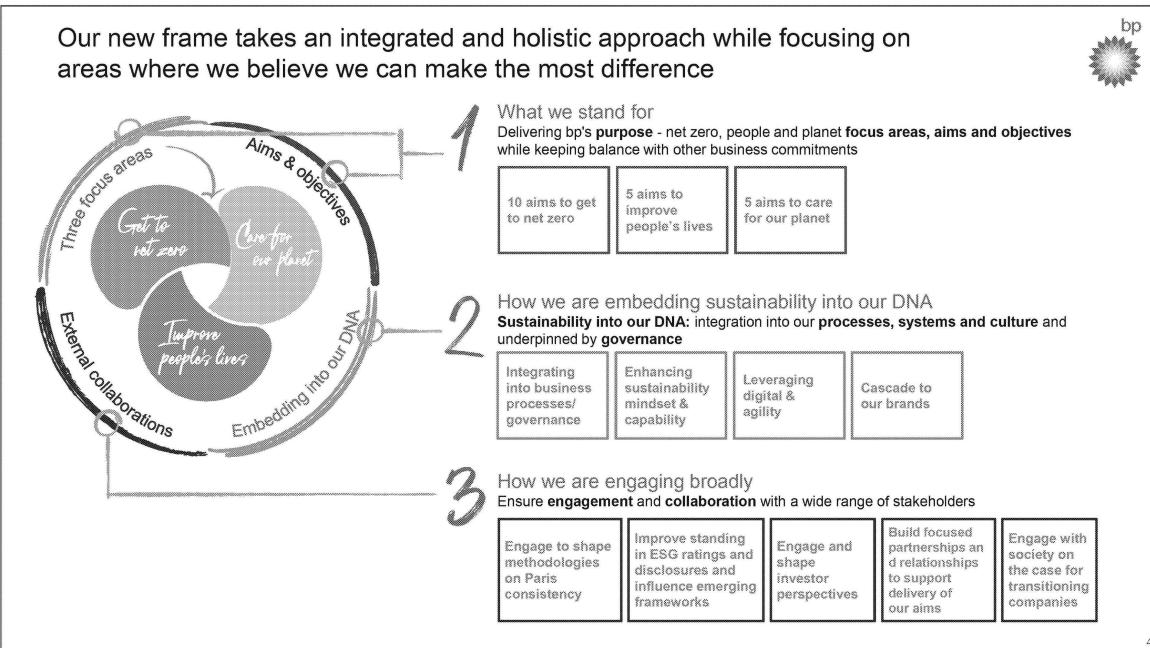
## Points to highlight:

Welcome – first one of these mtgs, great opportunity to integrate across teams & embed sustainability in DNA.  
 Who's in the room – no intros but describe that folks were hand picked as experts to represent their business to provide input & also bring back to their business. More reps added over time.  
 Bear with us as we work through any teething issues with new process. 2020 performance data is still largely qualitative – sharing what we have & will become more quantitative.  
 Notice the Objective for each agenda item. 3 items to Endorse or Recommend today. Inform – FYI only, Discuss – discuss for your input for offline or later decision, Endorse – table endorses for decision by SVP, Recommend – recommended for endorsement at higher EVP level.  
 Timing is tight & lot of people attending. Will have a parking lot for follow-up if we need to move on in agenda.

## Purpose of the Sustainability Table

- Sustainability Progress to Date
- 2021 Sustainability Plan & Aims
- CEO Water Mandate
- Policy priorities

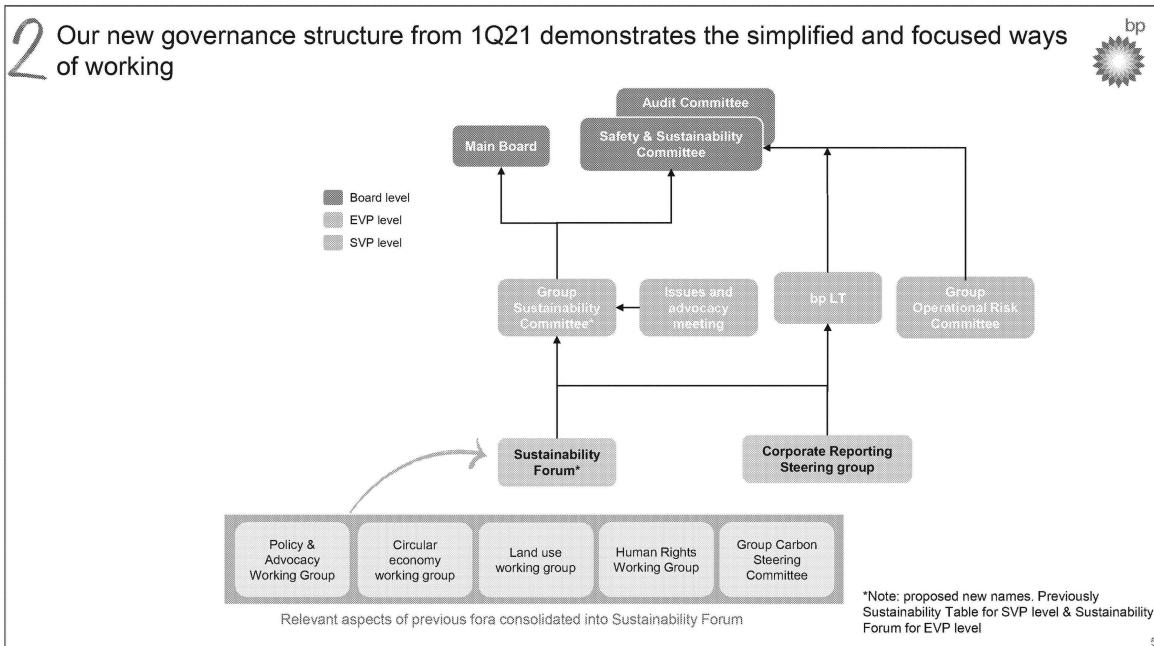
Our new frame takes an integrated and holistic approach while focusing on areas where we believe we can make the most difference



4

Kelly – 25 mins for purpose of table/forum section

Re-cap of the frame – governance is a critical part of embedding in our DNA as well as important for ESG investors



Line of escalation from Sus forum at SVP level to Group Sus Committee at EVP level & then S&S committee at board level. Generally most sustainability information will flow that way, although some to GORC.

Focus on decision making – intent is to bring to Sus Forum for decision/endorsement or recommend to next level. Bias against just info sharing.

Simplification – Sus forum combined various other committees & aims for simplified approach e.g. minimal pre-read & clear objectives

Frequency – monthly to 6 weeks calendar dependent. Expect to have around 8 in 2021 & will feed Group Sustainability Committee. Quarterly not enough, monthly likely too frequent. Invites to be issued post meeting.

Attendees – Core group from S&S, HSE&C, C&A & reps from IR, legal, G&LCE & C&P. Additional reps from T&S, R,C&S invited depending on agenda to balance being respectful of time & manageable call size.

Expectation of attendees – select group invited for your expertise. Expected that you will represent your business, provide input, bring agenda items & share back within the business

Potential duplication with carbon table & GORC? – carbon table is focused on carbon only & operations vs forum covers whole frame & all businesses. Working with Andy/Beth on differentiating - draft slide in back-up

## Sustainability Table Purpose



**Goal:** use the Table as an effective way to integrate & embed the new sustainability frame

- 2 primary objectives:
  1. **Review Progress & Plans**
    - a) Integration and performance oversight against the Sustainability frame (incl carbon ambition)
    - b) Review sustainability plans & priorities including integration with ESG plan
    - c) Resolve blockers to enable delivery of sustainability framework against defined milestones
  2. **Policy & Advocacy**
    - a) Agree prioritization of positions and advocacy campaigns aligned with strategic priorities
    - b) Recommend or endorse new positions & policies
- **Process Simplification** – combine working groups & simplify the process e.g. reduced pre-read
- **Business engagement** – reps from businesses invited when appropriate, increasing over time
- **Agenda management:**
  - Use the **hierarchy of meetings** (SVP, Exec & Board) to guide & manage agendas
  - Review sustainability progress quarterly.
  - Clear on the **Authority Requested –Endorse, Recommend (for further escalation), Discuss (for Input), Inform.**
  - **Plan agendas** for the year with flexibility

6

2 main objectives of forum (1) Reviewing progress against the frame and (2) Agreeing policy & advocacy – this will include C&A led campaigns.

Performance to be reviewed ~quarterly & increasing will include businesses as performance becomes more embedded in performance contracts. Data quality & automation will improve. Also will need to define new metrics.

Aiming for process light – min pre-read & minutes

Share planned agendas for year to ensure appropriate attendance – will change

# Agenda



Purpose of the Sustainability Table

## Sustainability Progress to Date

2021 Sustainability Plan & Aims

CEO Water Mandate

Policy priorities

7

# Carbon: Strong GHG performance in 2020 on Aims 1 – 4



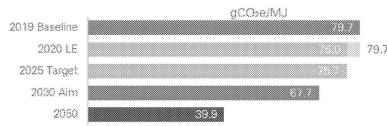
*Net Zero operations*



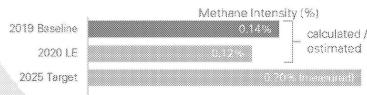
*Net Zero oil and gas*



*Halving intensity*



*Reducing Methane*



## Performance Insights

- Aim 1:** emissions reduced by 9.2MteCO<sub>2</sub>e vs. 2019, largely driven by divestments (Alaska, BPX, Pecthems) as well as SERs
- Aim 2:** emissions have fallen by 33MteCO<sub>2</sub>e with divestments as well as some impact of COVID curtailments & GoM hurricane season
- Aim 3:** data not yet available – more complex to calculate – opportunity for bpAT to help automate
- Aim 4:** methane intensity calculated basis 0.12%, down from 0.14% in 2019 due to divestments & methane reductions (e.g. Angola flaring). Measurement program underway and updated to be provided in future meetings

## Next steps

- Actuals available in March for Aims 1-4
- Assess tracking methodology for Aims 6-10
- Improve quarterly update process via bpAT

## Notes on data:

- Aim 1 and 4 2020 LEs based on provisional 2020 FY OneCSR data
- Aim 2 2020 LE based on provisional calculation from ResDev data. Note: underlying production data is bp Secret until stock exchange announcement
- Aim 3 2020 LE not yet available – data shown is from November GPR
- Aim 4 2019 baseline and 2020 LE on calculated/estimated basis, 2025 target is on measured basis.

8

Gardiner – 10 mins

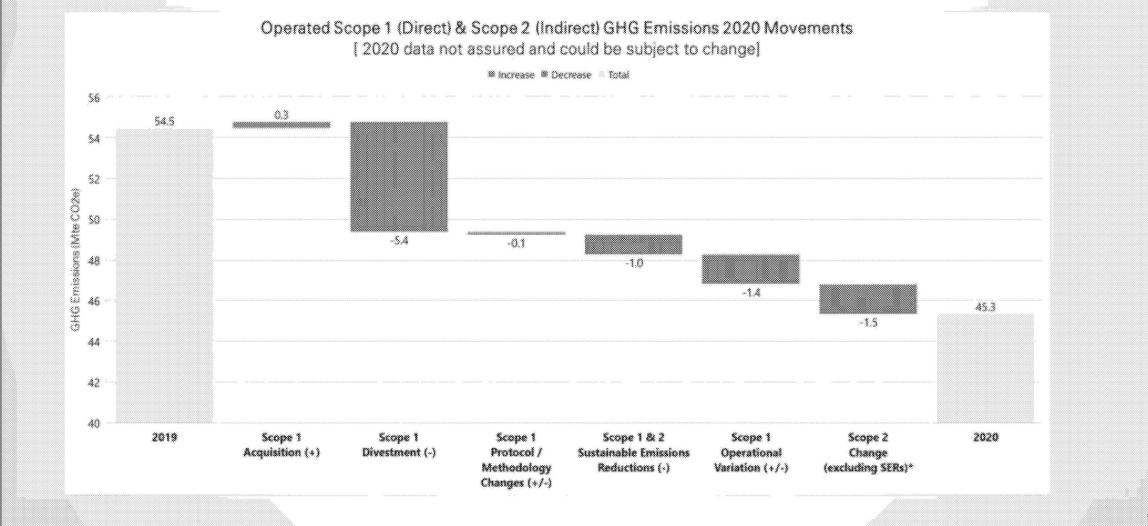
On track for aims 1, 2 & 4. Divestments had large impact as expected.

Aims 3 not available yet

Actuals in march, further convo then.

The aim 2 calculation sheet was remodelled from the original 2019 file. In this process, it became evident that an incorrect physical property had been used for one of the regions. By correcting this, the aim 2 emissions for 2019 changed from 357.3 Mte (reported in the 2019 SR) to 360.6 Mte; i.e. a 0.9% difference. Depending on Deloitte's review, we may need to define how this will be communicated internally and externally, as it is a slight change in our baseline.

# bp operated emissions performance: 2019 – 2020



Increase: a consequence of BHP acquisition

Scope 1 divestment: 4.7MteCO2e due to Alaska (10MteCO2e) divestment contribution in 2020 – remainder of this will show up in 2021 numbers. Reminder from other divestments across bp including Pet Chem.

Scope 1 protocol/methodology: due to an update on emissions factors

SER's 1Mte CO2e as per previous slide

Scope 1 Operations: Changes in our operations that delivered reductions that may or may not be permanent, e.g. improvements in plant reliability, operations and new flaring methodology

Scope 2 Change: Due to changing in accounting and not an operating change. This resulted from a known double counting issue we had at a refinery and a divestment and work by our teams on accounting methodology allowed this double counting to be removed.

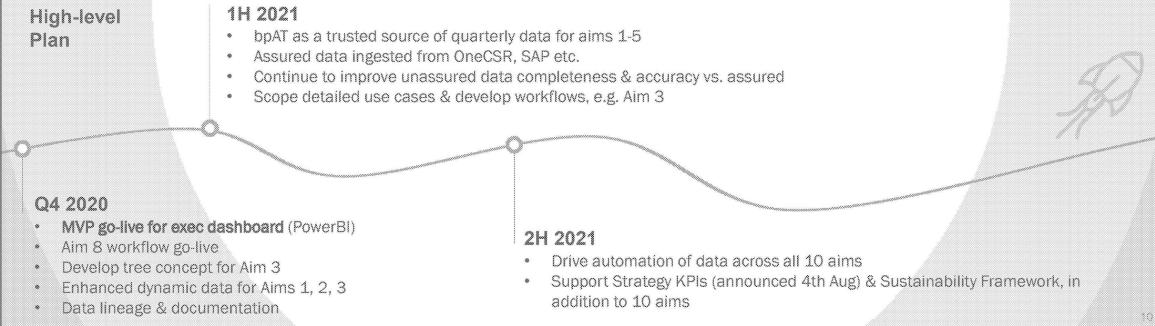
# bpAT - Roadmap & Backlog



## Key Messages

Current aims tracking still dependent on manual processes. Good progress made in 2020 on automating data flows into bpAT, but efforts need to be focussed in 2021 to ensure a complete and accurate product:

- Will focus on Aims 1-5 in 1H 2021, then onto Aims 6-10 in 2H 2021
- Aiming to ingest assured data quarterly for Aims 1, 2 and 4 to feed quarterly performance reviews. Aims 3 and 5 TBC
- Continue to expand and improve unassured data linkages, including interfaces with other digital carbon tools being developed (e.g. in P&O)
- Feasibility of addition of new people/planet aims to be assessed



10

Gardiner – 5 mins

bpAT is progressing well but still much to do to automate aims 1-5, then look at 6-10 (more qualitative)

Planning for automated quarterly performance updates

Will assess wider planet & people frame – currently not in scope

# Care for our planet delivery in 2020



General	<ul style="list-style-type: none"><li>Gap analysis against the new GDP 3.6 (carbon, social &amp; environment) – protected areas, biodiversity, water, waste, air emissions</li><li>Data collected through OneCSR: emissions to air (e.g. SOx, NOx), discharges to water, water usage, waste disposal</li></ul>
Biodiversity	<ul style="list-style-type: none"><li>Biodiversity position launched (June 2020), including no-go commitment &amp; three new objectives.</li><li>New 5yr collaborative agreement with Fauna &amp; Flora International</li><li>Implementation plans developed – work started on net positive impact methodology &amp; metrics to complete by YE 2021</li></ul>
Water	<ul style="list-style-type: none"><li>Commissioned:<ul style="list-style-type: none"><li>Atlantic Richfield minewater treatment system, replenishing &gt;8 Bn litres of freshwater (Montana),</li><li>New produced water treatment system at Galeota Pt in Trinidad</li><li>Final stage of new wastewater treatment plant at Lingen refinery</li></ul></li></ul>
Nature-based solutions	<ul style="list-style-type: none"><li>Acquired a majority equity stake in Finite Carbon to support scaling natural climate solutions</li></ul>
Circularity	<ul style="list-style-type: none"><li>Castrol &amp; Volvo signed 5 year contract incl \$4.2m pa fund for joint projects: closed loop fluids, bp target neutral programmes &amp; EV fluids</li><li>bp pulse office in Milton Keynes with re-manufactured furniture avoiding 47 kT CO2 &amp; 17 te of waste. Same quality at half the cost.</li><li>Started a 3 year plan to change the way waste production is recorded &amp; collated. Goal is to increasing granularity &amp; design out waste or increase circularity</li></ul>
Supply Chain	<ul style="list-style-type: none"><li>CO2 emission reduced 4,800MT &amp; 1,700 MT in China &amp; Australia by changing transport mode for logistics with same service</li></ul>

11

Meryl – 5 mins

Progress against existing frame is largely milestone based – highlight key milestones

Quantitative data for sustainability report through oneCSR for march

Will be looking at tracking new aims through combination of metrics & milestones going fwd

## Improve peoples lives delivery in 2020



- In 2020 we launched our new human rights policy
  - 1. Implementation in operated businesses through GDP 3.6 implementation (minor updates needed)
    - Gap analysis against the new GDP 3.6 (carbon, social & environment), including LRMS risk assessment progressing at business-level
  - 2. High-risk supplier due diligence for T1 suppliers by procurement through cross-industry platform
- New KPIs on social performance & human rights, including LRMS added to OneCSR in 2020. Scope intentionally limited for year 1 to enable phased approach.
- 2020 data to be completed mid-Feb & available for March 17th Table
- New KPIs may be needed for new aims and will be streamlined with existing metrics

### OneCSR KPIs include:

1. Effective community grievance mgmt., e.g. # grievances, categories and status
2. Social & HRts impact assessment & mgmt., e.g. # assessments, management plans, etc.
3. Social & human rights issues of concern
4. Suppliers that have undergone LRMS due diligence & findings addressed
5. LRMS risk identification (incl' on-site assessment), mitigation of findings & contractor engagement

LRMS = Labour Rights & Modern Slavery

12

Nili – 5 mins

2020 progress mixture of milestones achieved & metrics – metrics available in march

Any performance insights on 2020 progress?

Will be looking at tracking new aims through combination of metrics & milestones going fwd

# Agenda



Purpose of the Sustainability Table

Sustainability Progress to Date

**2021 Sustainability Plan & Aims**

CEO Water Mandate

Policy priorities

## Sustainability presents an opportunity for value creation and positive impact



- Staff, shareholders and society expect and reward rapid progress on the **energy transition** and on broader **environmental, social and governance** topics
- **Sustainability – done well – is good for business** and getting this right **will deliver value for bp** and **reduce exposure to risk**; and in doing so also **improve how bp shows up** on ESG ratings and benchmarks
- We have **strong foundations**, but there is opportunity for centrally driven focus to **drive a leadership position** for bp in key emerging areas of sustainability (in addition to net zero) as well as demonstrating progress against what we have already announced

*people*

Business' **human rights responsibilities** are becoming more regulated and seen as license to operate in emerging benchmarks and initiatives; while broader **societal issues, D&I and mental health** offer opportunities for bp to take a leading position to drive progress

*planet*

**Biodiversity** and **water** are being increasingly prioritised alongside carbon, with initiatives and regulations emerging – we can and want to be on the **front foot**, engaging early to **help shape** this space

- Defining and implementing the **end-to-end sustainability frame**, including the aims to *improve people's lives and care for our planet*, underpin our purpose and make us more resilient to change and valued by all stakeholders
- **We are in action** through broad engagement and improved disclosures to drive transparency, investibility and showcase positive impact; delivery of **aims for people and planet** provide a vehicle for focus and drive the business forward in key areas where we can have the biggest impact and deliver value for bp

## The difference between sustainability and ESG



### Sustainability

#### Environment

#### Social

#### Governance

### Sustainability

Sustainability at bp is working to make a positive difference in the world through:

- Delivering net zero and helping the world get to net zero
- Engaging with our stakeholders and working together to maximize our impact for people and planet
- Putting the needs of people and planet at the heart of our thinking, decision making and actions
- Focusing our efforts where we believe we can make a material contribution
- Adding value to bp whilst adding value to society; supporting delivery of our purpose



Investors



Civil society



Employees

### ESG (environment, social, governance)

The term ESG is most recognized in the investor space:

- The environmental and social aspects of the term ESG align with the term Sustainability
- ESG also covers aspects of **corporate governance**, such as executive pay, board diversity and structure, capital allocation and tax transparency.

ESG investing bases investment decisions on a wide set of criteria, which includes environmental, social and governance business practices.

Most importantly for shareholders, businesses with **strong ESG policies** (as defined within the evolving ESG ecosystem) have been shown to have **better financial performance** over the long-term.



Investors

15

We are not currently rated at a level that reflects our new direction  
Influential ESG ratings



Rating	Methodology	Scoring	bp		TOTAL	equinor	REPSOL	eni	Exxon	Chevron	ROSNEFT	Orsted <sup>1</sup>
			BBB	A	A	AAA	AA	A	BBB	BBB	BB	AAA
MSCI	Measures resilience to long-term, industry material ESG risks. A company is evaluated on:	AA, AAA: Leader BB, BBB: A: Average CCC, B: Laggard										
Sustainalytics	• ESG performance • Risk based on its business activities, size and location of operations • Controversies (incidents, legal proceedings, bad press)	<20: low risk 20-30: medium risk 30-40: high risk >40: severe risk	37.4 (57 of 274)	35.8 (45)	27 (9)	33.3 (31)	22 (3)	25.7 (7)	32 (25)	40 (76)	39.9 (73)	20.5 (28)
TPI Management Quality Score (MQS)	Assesses low carbon governance	0 – No awareness 1 – Awareness 2 – Building capacity 3 – Integrated into decision making 4 – Strategic 4* – Perfect Score	4*	4	4*	4*	4	4*	3	3	3	4
TPI Carbon Performance Assessment (CPS)	Assesses the ambition of the company's "target" relative to the Paris goals (based exclusively on carbon intensity)	Below 2' Paris Pledges Not Aligned	Not Aligned	Paris Pledges	Not Aligned	Not Aligned	Not Aligned	Below 2'				
CDP	Assesses a company's leadership on climate transparency and action	A – Leadership B – Management, C – Awareness D – Disclosure F – No submission	F	B	A-	B	A-	A-	F	F	B	B
Carbon Tracker	Assesses climate related aspects of strategy and financial risk of the transition across:	1 - 4: Leader 4 - 6: Average 7 - 10: Laggard	1.7 (2 <sup>nd</sup> )	3.3	4.7	6.7	3.0	1.3	8.3	6.7	NA	NA

<sup>1</sup> Against utilities methodologies and benchmark – included for comparison

## Our peers have comprehensive sustainability plans defined with clear aims and objectives

NON-EXHAUSTIVE



Plan's structure

- Shell promotes **9 goals, 42 aims and 32 objectives**
- Main goals include human rights, safety, environment, climate, access to clean energy, and developing technology



Dimensions covered

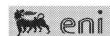


Published commitments

- Cut the **intensity of the greenhouse gas emissions** of the energy products we sell by about 65% by 2050
- Invest about **\$1.5bn** over the next five years to help end **plastic pollution**
- By 2030 reliable electricity for **>100 million people**, including communities without power today
- Spent **\$173m on social investment**, including energy access, STEM, and community skills and enterprise development



- Total promotes **7 goals, 25 aims and 75 objectives<sup>1</sup>**
- Main goals include social inclusion, health and safety, environment and climate, access to clean energy, human rights, business ethics, promoting diversity, local socio-economic development, supply chain & value creation for host regions



- Repsol's Global Sustainability Plan includes **6 goals and 39 aims**
- Main goals include ethics and transparency, people, safe operations, environment, climate and innovation and technology
- Eni's sustainability plan includes **9 goals and 26 aims**
- Main goals include carbon neutrality in the long-term, operational excellence model, and alliances for the promotion of local development, along with statements about a 'socially just energy transition.'

Net-Zero People Planet



1 Including Governance aims and objectives

Source: Companies' websites and reports

17

# 1 Planet

## Make a positive difference to the environment in which we operate



Financing biodiversity

Our aim 16 is making a positive impact through our actions to restore, maintain and enhance biodiversity where we work

We'll do this by putting our biodiversity position into action. In doing so, we expect that from 2022 all new bp projects in scope will have plans in place aiming to achieve net positive impact, with a target for 90% of actions to be delivered within five years of project approval. We also aim to enhance biodiversity at our major operating sites and support biodiversity restoration and sustainable resource use projects in the countries where we have current or growing investments

Water positive

Our aim 17 is becoming water positive by 2035

We aim to replenish more freshwater than we consume in our operations. We'll do this by being more efficient in operational freshwater use and effluent management, and by collaborating with others to replenish freshwater in stressed and scarce catchments where we operate

Championing nature-based solutions

Our aim 18 is championing nature-based solutions and enabling the removal or reduction of 1 GtCO2e emissions by 2030

We aim to use nature-based solutions to contribute to our people and planet aims. And through our trading business, we aim to enable certified natural climate solutions that remove or reduce 1 GtCO2e emissions by 2030 and provide environmental and social co-benefits

Unlock circularity

Our aim 19 is to unlock circularity in our businesses

We want to keep materials in use for longer and value them throughout their lifecycle. We'll do this by using circular resources and embracing circular principles in design, operations and decommissioning.

Sustainable purchasing

Our aim 20 is a more sustainable supply chain

We'll work with our key suppliers to embed sustainable practices, focusing on reducing greenhouse gas emissions and increasing the circularity of what we buy

18

Meryl

Walk through aims. Highlight areas that are key for this business

# 1 People

## Support a just energy transition, promoting wellbeing for our workforce and communities where we work



Our aim 11 is to develop enough clean energy to benefit more than 36 million people. By 2030 we aim to have developed 50GW of renewable energy – broadly enough to meet the power needs of 36 million people, including ways to make clean energy accessible to those who need it most.



Our aim 12 is helping more than 1 million people build sustainable livelihoods and acquire new skills. To support a just transition, we'll help our employees and local communities to develop skills for the future, build resilience and sustainable livelihoods. We'll focus our social investment to support our sustainability aims. Through these actions we aim to reach more than 1 million people by 2025.



Our aim 13 is embedding human rights in everything we do. With our human rights policy as a foundation, we'll help to improve working conditions for our workforce and build stronger relationships with local communities, based on mutual respect and trust.



Our aim 14 is greater equity for our workforce and customers and increase supplier diversity spend to \$1 billion. We want greater equity for our workforce and customers, while also helping our partners in the bp 'ecosystem' do the same. We'll do this by improving workforce diversity and workplace inclusion, making customer experiences more inclusive and increasing our supplier diversity expenditure to \$1 billion by 2025.



Our aim 15 is to support more than 60,000 employees and the communities where we work to enhance their health & wellbeing. We'll support our workforce and local communities to improve their mental and physical health & wellbeing – through programmes, partnerships, and customer offers.

19

Nili

Walk through aims. Highlight areas that are key for this business

----- old notes -----

Alternatives

Livelihoods: Back a just and fair energy transition

Hrts: Promote / Improve / Support human rights and equity where we work

H&W: Enhance health & wellbeing where we work

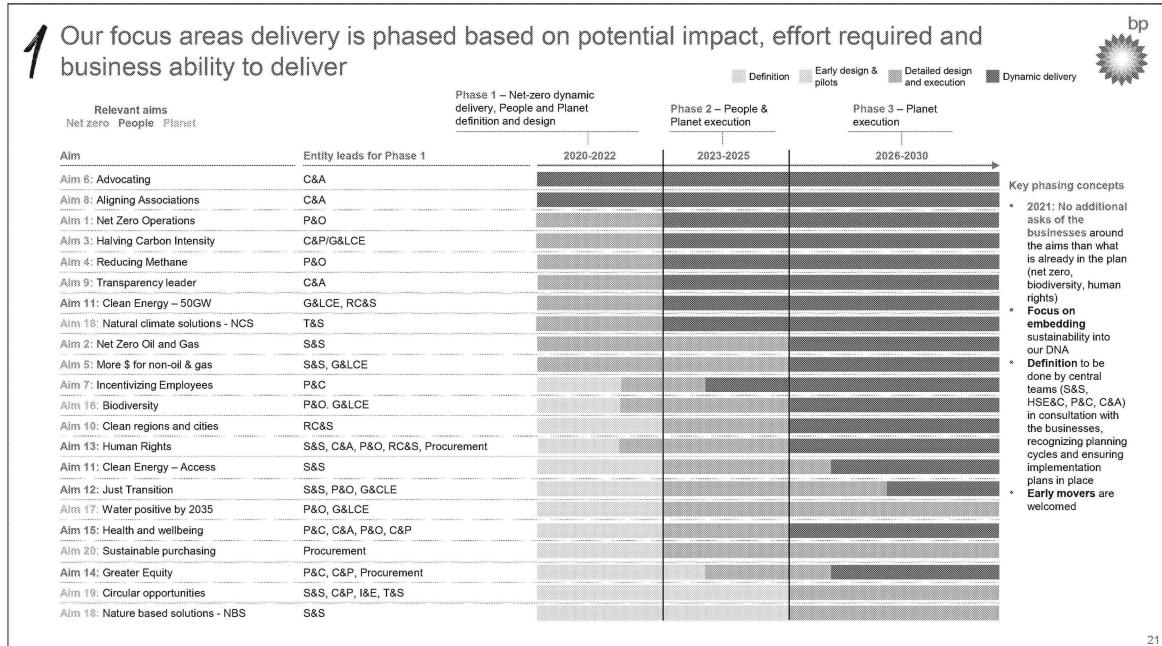
# 1 bp's approach will make us comparable with our peers in some areas and creates differentiation in others



Relevant aims People Planet	Aligned with S&P 500 best practice	Going beyond our peers	Aligned with our peers	Behind our peers	Reasons why
Aim 11: Clean energy		✓			European peers have ambitious access to clean energy / electricity targets, signaling our intent is good, but need to define our energy access approach and targets quickly
Aim 12: A just and fair energy transition		✓			On just transition, Shell and Eni have position statements, but no peer has specified objectives, targets or plans. Doing so will put us well ahead of our peers.
Aim 13: Human rights	✓				Our policy is amongst the strongest in the industry, fair wage will be a future focus for investors, Shell working on the latter, but we could be first movers.
Aim 14: Greater equity	✓	✓			Peers have objectives / targets, focus varies. Workforce diversity objectives bring us in line with peers. Inclusion aspects and \$1bn spend on supplier diversity will move us ahead.
Aim 15: Health and wellbeing	✓	✓			Mental health is a differentiator as compared to peers, physical health and wellbeing aspects and community support make us comparable w/ European peers.
Aim 16: Biodiversity	✓				Our position is industry leading and comparable with leaders in other industries.
Aim 17: Water-positive by 2035	✓				None of our peers have this aim, although Total and Shell are considering similar targets. Eni have signed the CEO water mandate. Coca-cola is leading implementation
Aim 18: Nature based solutions		✓		✓	Our aim to scale NCS is industry leading. To be comparable with best practice we need action on broader nature-based solutions
Aim 19: Circular opportunities			✓		Several of our peers (Shell, Total, Repsol, ENI) have waste reduction targets and circularity targets for plastics
Aim 20: Sustainable purchasing		✓			Our peers have signaled their intent to achieve sustainability in the supply chain but none have set quantified targets. Leading companies in other industries have been working on this for multiple years.

20

# 1 Our focus areas delivery is phased based on potential impact, effort required and business ability to deliver



21

As rolled out we will do so in planned, thoughtful way

## Our high-level plan to deliver our sustainability frame through to 2025



2021	2022	2023	2024	2025
<b>1</b> <b>What we stand for</b>	<ul style="list-style-type: none"> <li>Continue implementing Net-zero aims in our business processes</li> <li>Continue implementing biodiversity, human rights and D&amp;I plans; Define and design new People and Planet aims</li> </ul>	<ul style="list-style-type: none"> <li>Continue design and begin implementation of People and Planet aims on a phased and prioritized basis</li> <li>Net positive impact in biodiversity in new projects</li> </ul>	<ul style="list-style-type: none"> <li>Aim 4 methane measurement approach in place</li> <li>Interim progress demonstrated across aims and targets</li> </ul>	<ul style="list-style-type: none"> <li>Focus support to businesses to enable continued value growth through sustainability</li> <li>Transparent reporting against all 2025 targets and objectives</li> </ul>
<b>2</b> <b>How we are embedding sustainability into our DNA</b>	<ul style="list-style-type: none"> <li>Sustainability in our governance</li> <li>Sustainability incorporated into business development/new partner processes</li> <li>Develop communication and engagement plan</li> </ul>	<ul style="list-style-type: none"> <li>Continue embedding in key business processes</li> <li>Understand capability gaps and develop learning offer</li> </ul>	<ul style="list-style-type: none"> <li>Continued update of tools, systems, processes, capability and culture to support sustainability agenda leading to sustainability demonstrating value in investments, partnerships and sanctioned projects</li> </ul>	<ul style="list-style-type: none"> <li>Continued focus on implementation, transparency &amp; verification; continuous improvement</li> </ul>
<b>3</b> <b>How we are engaging broadly</b>	<ul style="list-style-type: none"> <li>Align our disclosures and strategy with expectations of key stakeholders, agencies &amp; investors; improve our ratings</li> <li>Influence existing and emerging initiatives; understand implications to strategy</li> <li>Take a leading role in the coalition to make "Transition an investible proposition"</li> <li>Development of External Advisory Board internally</li> </ul>	<ul style="list-style-type: none"> <li>Develop new targeted new partnerships to achieve our goals</li> <li>Grow relationship with ESG stakeholders &amp; NGOs</li> <li>Continue to engage, assess and adapt to rating agency/ regulatory benchmarks</li> <li>Disclosure against WEF IBC core metrics</li> <li>External Advisory Board announced externally</li> </ul>	<ul style="list-style-type: none"> <li>Qualify &amp; secure \$2-3bn in ESG investments</li> <li>Target to be leading transition company within the sector for ESG investments</li> </ul>	

22

# Agenda



Purpose of the Sustainability Table

Sustainability Progress to Date

2021 Sustainability Plan & Aims

**CEO Water Mandate**

Policy priorities



## Our water positive aim is a critical to meet gaps in ESG ratings and stakeholder expectations, as well as delivering business value



### The problem

By 2025, 1.8 Billion people are predicted to live in area of scarcity, 2/3rd of the global population in area of water stress<sup>1</sup>

We consume 61bn litres of fresh water a year (2019), ~80% of which is in refining.

Our water use efficiency is low, compared to our peers.

We spend ~\$270m opex and ~\$100m capex a year on freshwater management.

Operational risk profile is growing as the extent of water stress and scarcity regions grow.

ESG raters look for targets on reducing water demand and improving effluent quality. bp has no targets and no actions being undertaken across our portfolio to lower our freshwater demands.

### Business case

Benefit – cost analysis has indicated a net present value of \$10M - \$39M

(IRR 13-19%, 2021-35). Total capex & opex \$150M, total benefits \$242M

\$60m capex required in the first 5 years, with \$10M at Define stage

Collaborations in catchments can be more cost effective and energy efficient than actions in our own operations and can be more effective in lowering the operational risks.

1 - UNFAO, 2020

### The opportunity

To become water positive, we need to take actions within our **operations**:

- Water conservation campaign, leak repairs and optimization.
- Increased recycling, including boiler feed water upgrades.

And actions primarily focused on **water stressed and scarce catchments**:

- Wetland restoration projects, co-benefits with biodiversity aim
- Continued remediation of contaminated mine and groundwater
- Collaboration with partners, e.g.
  - Sharing water with other companies to reduce demand
  - Working with up-gradient users to improve efficiency
  - Water supply and Sanitation project investment

Signing the **UNGC CEO Water mandate** demonstrates our commitment

### Feasibility

We have a good understanding of the actions required and a phased plan.

Plans exist at 4 operations that can contribute in 2021-2025

The majority can be done within existing resources, with some upskilling in catchment collaboration with external collaborations to support.

24

Meryl/Alistair – 25 mins

What's the request – if water aim is approved, group recommends endorsing CEO water mandate

Summary of what the water mandate is & why recommended

Clear on incremental work vs already doing & resource commitments

## **Signing the UNGC CEO Mandate will immediately demonstrate our commitment, add credibility and support delivery of our aim**

The **CEO Water Mandate** is a commitment platform for business leaders and learners to advance water stewardship. Endorsing companies commit to action across six key elements and report annually on progress. In doing so, they:

1. cut costs
2. build brand value and reputation
3. identify and manage business risks
4. advance water security for their business, ecosystems, and communities alike

[www.ceowatermandate.org](http://www.ceowatermandate.org)

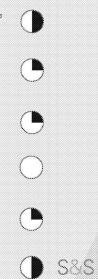
- 184 endorsing companies (Jan 2021) including
  - Water sustainability leaders: e.g. Unilever, Microsoft
  - Food & Beverage Companies: e.g. CocaCola, Nestle, Diagio
  - bp supply chain companies: e.g. Suez, Veolia
  - bp JV partners: Bunge
  - Oil & gas companies: eni
- Key NGOs and potential partners are associate members – TNC, WWF, WRI....

By endorsing the CEO water mandate, we will commit to action in 6 areas, all of which are required to deliver our aim:

1. **Direct Operations.** Understand and quality water use, set local water conservation and wastewater treatment targets, raise water awareness throughout company, include water sustainability considerations in decision making, invest in technologies
2. **Supply Chain & Watershed Management.** Encourage suppliers to adopt sustainable water practices, share practices, build capacity in understanding and respond to watershed risk.
3. **Collective Action.** Regional and local ties with civil society organisation, work with national, regional, local governments to address water issues, active involvement in UN Global compact, support water global, regional, local initiatives
4. **Redacted - First Amendment**
5. **Community Engagement.** Understand water the water and sanitation challenges in the communities e.g. active members of community water users associations; work with education and awareness programmes.
6. **Transparency** Disclose actions in relation to CEO water mandate, water stressed, water indicators, demonstrate



2021 Status



S&S

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio

Suez

Veolia

Bunge

eni

bp

BP

WRI

WWF

TNC

Unilever

Microsoft

CocaCola

Nestle

Diagio</p

# Agenda



Purpose of the Sustainability Table

Sustainability Progress to Date

2021 Sustainability Plan & Aims

CEO Water Mandate

**Policy Priorities**

26

Paul – 15 mins

Policy priorities & why

3 key short term priorities – Arctic, COP26 & more clean energy – to bring to forum in next few months

Thank you for attending

Next mtg March 17th. Invites to follow shortly.

Will be assessing if Group Sustainability Committee is needed on March 2nd – currently placeholder

Actions & notes will be issued shortly & summarize any follow ups