

2019 Annual Operating Plan - BP America

Apr-19

Strategy	<p>Vision - In the U.S., BP is viewed as a transformative leader in the energy industry and the employer of choice for top talent.</p> <p>Mission - BP America works in service of our U.S. businesses and our people, to deliver the BP group strategy.</p> <p>Group Strategy</p> <ul style="list-style-type: none"> Set the tone for safety leadership Advance the energy transition and the low-carbon agenda Preserve the corporate governance process including oversight of internal and external risks and obligations <p>US Businesses</p> <ul style="list-style-type: none"> Drive coherence across the US to identify similarities and best practices to improve competitiveness Advocate for sensible policy and regulations by engaging with key stakeholders and influencers Advance BP's reputation, promoting our contributions to the industry and our commitment to the U.S. economy and the communities where we do business <p>Our People</p> <ul style="list-style-type: none"> Cultivate a diverse and respectful workplace that reflects BP's values and expected behaviors Create a modern work environment that enables innovation, facilitates collaboration, and attracts and retains top talent Sustain and continue to enhance the ethics & compliance and business integrity programs 						
	A1. Group-Level Risks*						
	Risk Level	Risk Description	Net Risk / Worst Credible Impact	Owner	Status	Comments	
	Group Level Risk: Strategic & Commercial	Damage to BP's reputation	D4 / C3	M. Streett		No changes to risk profile, all controls still in place and operating effectively; Live discussions: ANWR, Trade Associations	
	Redacted - First Amendment						
A2. Additional Significant Business Risks (not submitted to Group)	Risk Level	Risk Description	Severity	ELT Owner	Status	Comments	
	Significant Business Risk	Failure to improve diversity and inclusion	E4	R. Dempsey		Risk profile shifting with increased litigation risks, controls in place and operating.	
	Significant Business Risk	Failure to sustain Ethics & Compliance and Business Integrity improvements beyond the term of the Monitor.	E5	D. Dio		Ethics & Compliance Committee established and prioritize BP Values through comms.	
	B. Objectives						
	Focus	Priorities	Objectives	Owner	Status	Comments	
Group Strategy	Set the tone for safety leadership	<p>Providing data, sharing best practices, and supporting improvement efforts in conjunction with S&OR</p> <p>G. Cuadra</p> <p></p> <p>US Leader "sharing best practices" meeting held, process safety challenge, BP America board material significantly improved.</p>					
		<p>Communicating performance and setting expectations through internal communications and town halls for operations and shared spaces</p> <p>S. Dio</p> <p></p> <p>GLL Meeting in Houston scheduled for 5/29, New Hire, Challenger, and Legal Team Meetings, Town Hall in 4Q</p>					
		<p>Proactively influencing U.S. Policy and Legislation in alignment with the Group Strategy and U.S. Business Objectives</p> <p>M. Streett</p> <p></p> <p>Reassessing resourcing needs</p>					
	Advance the Energy Transition and the Low Carbon Agenda	<p>Supporting the advancement of venturing and low carbon energy projects and new technologies.</p> <p>C. Yelding</p> <p></p> <p>Hosted BP Venturing Team in OTC suite, Princeton annual meeting, brought US perspectives to Low Carbon Days</p>					
		<p>Communicating BP's commitments and objectives internally and externally, positioning BP as a leader in the transformation.</p> <p>M. Streett</p> <p></p> <p>Houston Chronicle Op-Ed, Possibilities Everywhere campaign, Energy Outlook roll-out, CEO Climate Dialogue, CLC</p>					
		<p>Leading National Petroleum Council's carbon capture utilization and storage technology study</p> <p>C. Yelding</p> <p></p> <p>Delay in final NPC approval shifted from October to November/December to align with NPC Infrastructure project</p>					
	Provide oversight and governance	<p>Holding regular and productive meetings of BP America Board of Directors and subsidiary boards</p> <p>S. Dio</p> <p></p> <p>BPA America Meeting Effectiveness Survey in June, and received positive feedback</p>					
		<p>Providing oversight and assurance of completion of residual Deepwater Horizon agreements, legal processes, and other related activities</p> <p>C. Coburn</p> <p></p> <p>CSSP claims facility is winding down, Litigation (economic and medical) activity is moving and legal is managing.</p>					
		<p>Providing oversight for major risks and material obligations through reviews at BP America Board meetings</p> <p>S. Dio</p> <p></p> <p>First Risk Review session and BPA Board held on 5/29, and next in Aug 2019.</p>					
	<p>Providing support to Bargaining Governance Board to help balance interests of key stakeholders. Ensuring emergency operating or business continuity plans (EOP) at labor bargaining sites are robust in the event of a work stoppage or other disruption of operations.</p> <p>S. Dio</p> <p></p> <p>All labor agreements ratified in 1Q19.</p>						
U.S. Businesses	Drive coherence across the U.S. to leverage synergies and enhance competitiveness	<p>Identifying opportunities to integrate BP America activities to simplify, maximize value, and increase competitiveness for BP.</p> <p>S. Dio</p> <p></p>					
		<p>Strengthening relationships with multi business/ multi segment suppliers and drive competitiveness through collaborative relationships. Drive the supplier diversity agenda.</p> <p>S. Dio</p> <p></p> <p>Stakeholder Map under development, engagement opportunities enhanced through Diamond Club and Houston Open.</p>					
		<p>Providing crisis and business continuity leadership for Group level audit findings and where events span multiple businesses or segments, impact BP reputation at a national level, or threaten BP license to operate in the U.S.</p> <p>G. Cuadra</p> <p></p> <p>Document updated and reviewed by CST. Training completed. Table-top exercise pending. Group audit finding well organized and on track.</p>					
		<p>Clarifying and consolidating national and local agendas to link together business strategy, local investments, community outreach, and communications.</p> <p>M. Streett</p> <p></p> <p>Houston/Texas engagement plan</p>					
	Advance BP's reputation	<p>Advancing BP's reputation with the public, employees, and in communities where we operate through social investments.</p> <p>M. Streett</p> <p></p> <p>Local community investment and engagement with key stakeholders</p>					
		<p>Managing external opportunities and threats that affect BP's businesses in the U.S.</p> <p>M. Streett</p> <p></p> <p>Influence carbon policy in WA, OR and the northeast, and nuclear subsidies in PA and OH, and advance pro-development legislation in TX.</p>					
		<p>Seeking targeted opportunities to speak at public forums and with special interest groups to convey BP's leadership position and transformative investments.</p> <p>S. Dio</p> <p></p> <p>OTC, Rest of LT to support. Video and slidepack needed to support.</p>					
		<p>Leveraging major trade groups, NGO's, boards, and external events in service of top Group and business priorities.</p> <p>M. Streett</p> <p></p> <p>MOU with EDF on methane; CERAWEEK, OTC, CLC, CEO Climate Dialogue, Harvard/Tufts</p>					
Diverse and Respectful Workplace	Ensuring that employee benefits are competitive and reflect BP's values	<p>Providing oversight of and promoting BP's Values & Behaviors and Code of Conduct in the U.S.</p> <p>S. Dio</p> <p></p> <p>People reset meeting held; focus on rewarding V&B through energize and cash awards.</p>					
		<p>Leading a U.S.-wide Diversity & Inclusion program that complements businesses' diversity activities, progresses ambitions, and underpins a culture of inclusion in the workforce.</p> <p>R. Dempsey</p> <p></p> <p>Positive progress across all dimensions. GL/SLL component of US Minority ambition threshold reached.</p>					
		<p>Ensuring that employee benefits are competitive and reflect BP's values</p> <p>S. Dio</p> <p></p> <p>Benefits committee in action.</p>					

		Embedding an effective speak-up culture and the integrity of the Employee Concerns program to encourage reporting and handling of concerns at the earliest opportunity.	C. Yielding		The Courage scenario from the BPA ECC cascaded to BPA, in addition to encouraging Speak Up as part of the Resetting People Expectations.
Our People	Employer of Choice	Developing a Houston office long-term plan and securing funding for ongoing modernization efforts.	G. Cuadra		Report issued and endorsed. Pending financial approvals.
		Delivering the BP America People Plan	R. Saenz		BP America Organizational Review completed and signed off in Aug 2019. Currently in implementation mode with expectation to stand-up new organization by Sep 16th.
		Enhancing the employee experience with a focus on building a sense of community and wellbeing as part of the Westlake culture.	G. Cuadra		Progress made. Hospitality resources onboarded and training in-progress. Obtaining new resources and support.
		Optimizing BP Foundation to support employees contributions and natural disasters.	R. Dempsey		Completing backlog issues in employee matching. Updating processes to improve employee experience.
E&C / BI		Establishing a BPA Ethics & Compliance Committee and utilizing it to sustain and improve on the progress made under the Ethics Monitor.	C. Yielding		Initial meeting held in February. Courage conversation developed and distributed.
		Tracking performance data and engaging in material breaches to assure proper controls are in place, consistency across the U.S., and to identify emerging risks.	S. Dio		Ethics and Compliance Committee in action

C. KPIs							
		Unit	2018 Actual	2019 Plan	2019 LE	Status	Comments
Group Strategy							
HSSE (Gabe)	US Recordable Injury Frequency	Rate	0.34	0.00	0.24		As of June 30, 2019.
HSSE (Gabe)	T1+T2 Incidents per 200K hrs for all US Businesses, per Orange Book Data	Rate	0.14	0.10	0.22		Significant improvement in 2Q vs 1Q.
GHG Emissions (Gabe)	Reduction in emissions (2017 was 50.5 MteCO2 equivalent)	%		1			Pending update
Cyber Security (Finance)	Team score published	%	76	80	91		BPA Score of 91 as of March 2019, which is improved from 84 as of Dec 2018.
Gross Cash Costs (Finance)	CCUS budget approved, self-help options to mitigate other pressures	\$	95.9	88.6	89.1		Need plan to realize overview cost reductions of \$5.0m. Requesting relief for \$0.5m increased CCUS support costs.
Headcount - BP (Finance)	FTE	FTE	110	110	110		
US Businesses							
Legislation and Regulatory (Mary)	Delivery of entity plans as agreed with regional and segment leadership	%		90			As measured by quarterly reviews.
Synergies & Competitiveness (Mary)	Projects; Identify opportunities to leverage synergies between regions / segments or between functions to deliver increased business value and competitiveness	#		5			Pending update
Our People							
Diversity & Inclusion (Ray)	Supplier Diversity Annual Spend	%	3.3% (\$538m)	4%			Pending update
	Delivery of BPA D&I Annual Plan	%	95%	95%	100%		All activites are on track.
V&B / E&C (Cindy)	U.S. Wide People Assurance Participation	%		80%			Measure in 3Q after Pulse Survey
Modern Work (Gabe)	Deliver FM3 Scope ex. Basement	date	NA	Q3	30-Aug		Initial health inspection passed.
	Increase in GoM Leesman Survey Results	%	53.20%	15			Measure in 4Q

On-track
Needs SPA internal intervention
Needs BP support intervention
Likely not deliverable