



Performance Review deep dive US – June 2021

RC&S
regions, cities & solutions

BPA_HCOR_00324716

Agenda



1	US D&I Framework for action update	10m
2	Regional Security and Snapshot on key US RC&S risks	10m
3	Geopolitics, Advocacy, Stakeholder management / Reputation	20m
4	Regional financial performance snapshot & RC&S costs overview	15m
5	Governance and Strategy	15m
6	Business development and regional integration opportunities	20m



US D&I Framework for Action update

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US Framework for Action

1Q 2021 Update



Transparency	
What we said we would do	Where we are
1 Publish a comprehensive Diversity and Inclusion (D&I) Report, internally and externally, which will support a data-driven approach to progress and increase visibility and accountability (April 2021, coinciding with 2020 corporate reporting).	In progress: The global D&I team, in conjunction with the corporate reporting team, will release the report in the third week of May. bp is participating in O&G industry supplier diversity benchmarking conducted by API.
2 Reset our US Minority Ambition to continue to drive toward a US workforce that reflects the changing demographics of America, with quarterly reporting on progress, including sub-group detail (March 2021, following US 2020 Census report delivery).	In progress: Reset of the US Minority Ambition will take place after reviewing new US census data that was recently released during 2Q 2021 from the United States Census Bureau.

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US Framework for Action

1Q 2021 Update



Accountability	
What we said we would do	Where we are
<div>3</div> <p>Embed expectations and metrics on D&I delivery into entity operating plans and annual performance review process for all employees, including a direct link to compensation (January 2021).</p>	<p>All entity operating plans have a D&I metric tied to ethnic minority representation and all executive vice presidents (EVPs) have the same D&I objective in their performance contracts. Similarly, all employees in the US and UK are required for the first time to include a D&I priority in their 2021 My Plans before closing out the process. While DE&I will form a part of US staff performance in 2021 and there will remain a potential tie between DE&I and compensation, the “direct link to compensation” component as we originally envisioned has not been fully satisfied due to global changes in our annual bonus. Discussions are underway for creating a clearer link to compensation for 2022.</p> <p>Furthermore, where relevant, US business leaders are including supplier diversity metrics into their 2021 My Plans.</p>

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US Framework for Action

1Q 2021 Update



Accountability	
What we said we would do	Where we are
4 Prohibit the Confederate flag and other symbols of hate from all bp sites (effective immediately).	Completed.
5 Launch a mandatory racial equity and inclusion training for all US employees that complements our existing unconscious bias training (January 2021).	In progress: Pilot sessions held in January, February and upcoming in May. Program to launch in June 2021 to group leaders and senior level leaders, followed by all employees in Fall 2021.
6 Reshape the bp America D&I Council, ensuring each of the 11 entities has a representative accountable for supporting and delivering our US D&I plan and commitments (December 1, 2020, following Tier 3 announcements).	Completed.
7 Double our spend with US-based diverse suppliers by 2023, embedding supplier diversity objectives into global procurement processes to establish clear accountabilities and metrics.	In progress: Our goal to double our spend with diverse suppliers is moving forward and our Supplier Diversity team is partnering with procurement and businesses across bp. The Americas Supplier Diversity Advocacy council has been reshaped, with an initial meeting held in April 2021. And a roadmap is being established to deliver on this commitment and the aim to have a billion dollars of spend with diverse suppliers by 2025.

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US Framework for Action

1Q 2021 Update



Talent	
What we said we would do	Where we are
8 Double representation of African Americans in group leadership by 2023.	In progress: Working with businesses and entities to develop and sponsor high potential African American talent.
9 Launch a focused talent development program for African American and other underrepresented minorities with a goal of identifying and advancing high-potential and high-performing participants with career stewardship from the senior leadership team (January 2021).	In progress: Our talent development program, Leadership Inclusion for Talent (LIFT) is ready to deploy with an initial cohort focused on Black senior level leaders; future programs will include other underrepresented minorities.
10 Increase the diversity of our talent pools and candidate slates to support increased hiring and progression of African Americans and other underrepresented groups through focused talent attraction efforts, strengthening internship programs and by fostering additional partnerships with historically Black colleges and universities (October 2020).	In progress: The early careers team is finalizing its review and selection of several historically Black colleges and universities (HBCUs) for partnership, including discussions on the appropriate level of engagement for each campus. Engagement will include touch points throughout the year and will contribute to the overall recruitment strategy for the Fall season.
11 Increase educational and community funding to specific external organizations working to strengthen the STEM education pipeline for African Americans and other underrepresented minorities (January 2021).	In progress: STEM funding increased globally with funds focusing on expanding offerings in underrepresented communities.

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Regional Security and Snapshot on key US RC&S risks

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Regional Security

- **Civil Unrest** - We anticipate that the current political polarization in the US likely will sustain the threat of occasional and localized violent demonstrations and acts of civil disobedience in the near term, particularly on notable anniversaries or surrounding the roll out of politically contentious policies or legal decisions.
- **bp Impact** - Retail space, DC and bpX Denver office most affected.
- **Activism** - Largely peaceful protest about company activities, sector- and climate-related issues will likely occur throughout this year, but we anticipate these activities to occur infrequently and at a small scale.
- **bp Impact** - Plans in place to manage activist events at all major US campuses/facilities. Monitored closely by RIC and individual Security Managers. Chicago, DC Office and to a lesser extent WL Campus affected. Potential to target Board/other high profile bp meetings.



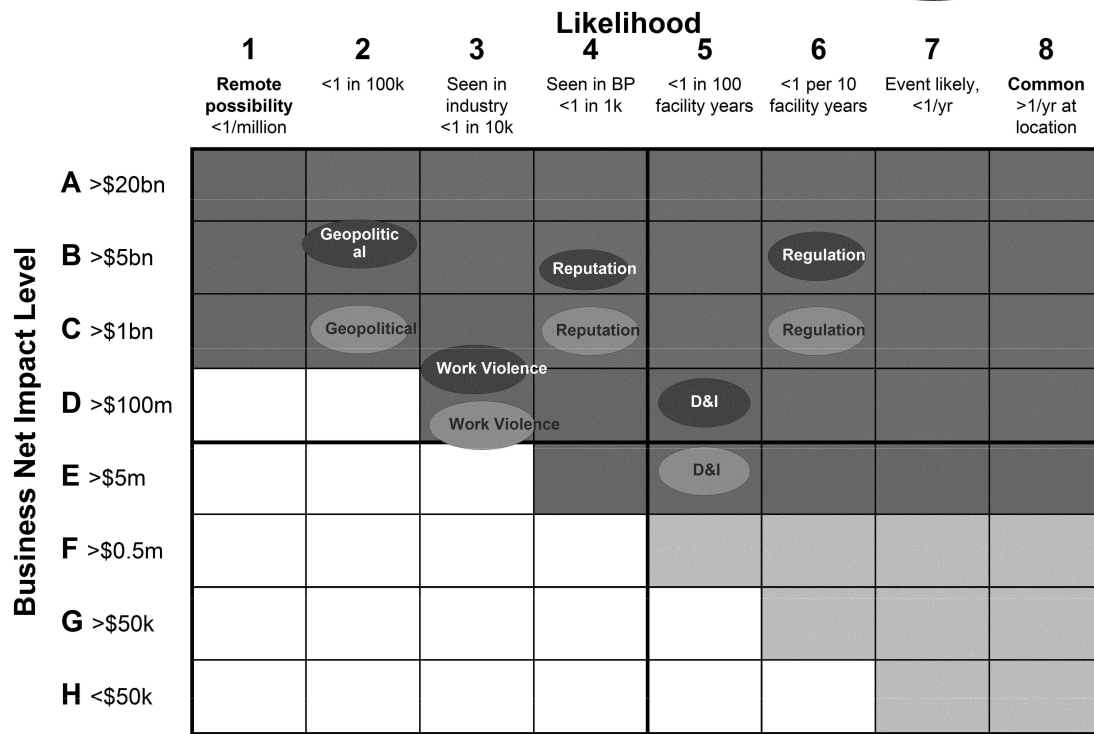
Regional Security

- **Workplace Violence Active Shooter** - As employees return to offices across the US, the incidence of workplace violence is likely to rebound from the lows experienced during the height of the Coronavirus pandemic. FBI information indicates that since 2012 violence in the workplace has steadily increased in the United States. Due to the difficulties in predicting individual behaviors, we anticipate that workplace violence will remain a persistent and unpredictable threat driven by a combination of environmental and individual factors.
- **bp Impact** – This is the highest impact security risk across US sites (D3 WC). A number of barriers have been implemented to prevent and mitigate risk to include: Employee WPV Awareness Training; Cross functional WAVR 21 trained Threat Assessment Teams to manage potential events; Off Duty Police officers at Westlake Campus; Technology solutions like gun shot detection (deployed at WL Campus).

Snapshot of key risks for US RC&S

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Net Worst Credibility



Plotting all risks on a single Risk Matrix provides a visual representation of the assessment of risk. It should not be interpreted as prioritising the allocation of resources for the management of one risk over another, as each risk is different, has specific consequences and requires the appropriate consideration of required Risk Management Activities and



Geopolitics, Advocacy, Stakeholder management / Reputation

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Geopolitics



 Key Geopolitical trends	 Risks		
<ul style="list-style-type: none"> The Biden Administration has been focused on its domestic priorities, but those priorities influence and guide much of the US foreign policy, e.g., global health, climate change, economic development, and human rights/equity <ul style="list-style-type: none"> Rebuilding US alliances and leadership globally has been a focus of senior Administration officials Reviews of the previous Administration's policies are underway, but objectives are slow to emerge in areas outside of White House priorities. The great power competition between the US and China has emerged as the central foreign policy issue for the Administration <ul style="list-style-type: none"> China is one of the few issues that gathers bipartisan support in Congress with a strong focus on strengthening US competitiveness Human rights issues in Xinjiang, Taiwan, Hong Kong and China's aggressive stance in the South China Sea animate much of US policy There is not yet a comprehensive strategy nor wholesale reset of the policy on Russia; early actions have tried to set the expectations of how Biden will respond to malign Russian activity on the US and its allies <ul style="list-style-type: none"> An early positive step of extending the New START treaty was followed by a series of sanctions and actions related to the Navalny poisoning, SolarWinds hack, US election interference and bounties on US personnel in Afghanistan A planned summit between Biden and Putin in mid-June will set the stage for relations for the near to mid-term Progress has been made on Biden's campaign promise of re-entering the JCPOA with Iran <ul style="list-style-type: none"> Details remain limited, but dialogue in Vienna between the US and Iran is heading towards a framework agreement that lays out the steps for a removal of US sanctions as Iran's nuclear programs returns to compliance We could see an agreement in the coming weeks ahead of Iranian elections in June that would set up a process for both sides return to compliance, including a mechanism for Iranian crude to return to the market after returning to compliance 	<ul style="list-style-type: none"> China – Current law and potential US legislation targeting forced labor in Xinjiang represents a near-term risk; 45% of the world polysilicon production is from Xinjiang Russia – Continued malign actions by Russia risk further sanctions by the US. However, we expect actions to be more predictable and strategic in nature going forward. <tr> <th data-bbox="1023 1140 1554 1207">  Opportunities </th><td data-bbox="1023 1207 1554 1446"> <ul style="list-style-type: none"> Climate Change focus of Biden's domestic and foreign policy agenda creates an alignment with bp's new strategy and offers an opportunity for pro-active engagement (e.g. climate focus on trade, financing, investments etc.) </td></tr>	 Opportunities	<ul style="list-style-type: none"> Climate Change focus of Biden's domestic and foreign policy agenda creates an alignment with bp's new strategy and offers an opportunity for pro-active engagement (e.g. climate focus on trade, financing, investments etc.)
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Regional financial performance snapshot & RC&S costs overview

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Regional Business Financial performance Snapshot – FY



2021 - FY Forecast (1Q GFO)					2020 FY Actuals		
\$million			RCOP	OpCash	\$million		
	RCOP	OpCash	Relative size	Relative size		RCOP	OpCash
Upstream	998	3,654	29%	55%	Upstream	(5,784)	2,815
GOM & Canada	1,100	2,836			GOM & Canada	(5,054)	2,363
BPX Energy	(230)	858			BPX Energy	(879)	528
Alaska	128	(40)			Alaska	149	(76)
Downstream	1,262	1,622	36%	24%	Downstream	177	943
Mobility & Convenience	744	826			Mobility & Convenience	634	718
Refining	(40)	848			Refining	(877)	(240)
Midstream	317	(102)			Midstream	277	285
Aviation	20	20			Aviation	13	20
Lubes	221	30			Lubes	130	160
Trading	1,194	1,311	34%	20%	Trading	1,396	1,754
Gas & Power	664	616			Gas & Power	474	500
Oil	530	695			Oil	922	1,254
Low Carbon	10	55	0%	1%	Low Carbon	(30)	-
Total	3,464	6,642			Total	(4,241)	5,512

Regional Business Financial performance Snapshot – 1Q



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RC&S cost overview-





Governance and Strategy

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Governance and Strategy

Governance:

- Collaborated / partnered with office of the Company Secretary to:
 - Review and update the BP America Inc. governance plan
 - Streamline and integrate committees and subsidiary boards (including ECC, USBC, IC)
 - Ongoing design work to align subsidiary companies/organization with BPAI
 - Expand BPAI board membership to 16 directors covering core risk areas
 - New BPAI board members have been elected, endorsed and onboarded (44% female representation on board)
 - Design and obtain approval for new forward agenda and risk oversight frame
- Partnered with RC&S team to design and implemented quarterly US business leadership forum (terms of reference established)
- Led Country Support Team that has managed the US COVID-19 response and return to office process
 - Country support plan has been updated to reflect the reinvent bp in America organization

Strategy

- Established the framework for the conceptual Lake Charles energy part
- Collaborated with business entities, S&S, C&A and legal to author the US country book
 - Including authoring and design of Factsheets for > 10 business sectors



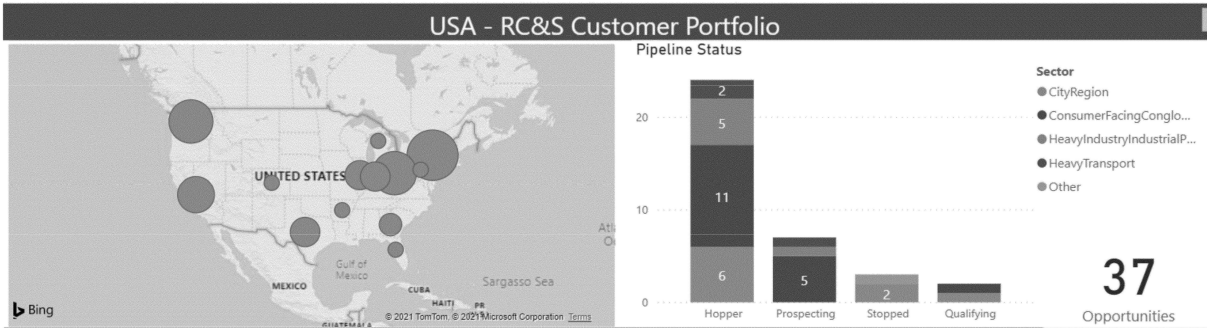
Business development and regional integration opportunities

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Business development & regional integration opportunities - Overview



Key Learnings to Date

- Creating materiality will require focus on clusters/regions rather than individual businesses
- Need counterparties with partnership in their DNA, rather than buyer/supplier culture
- Significant gap in bp US capability to execute solutions
- bp business strategies continue to lack customer focus

Portfolio

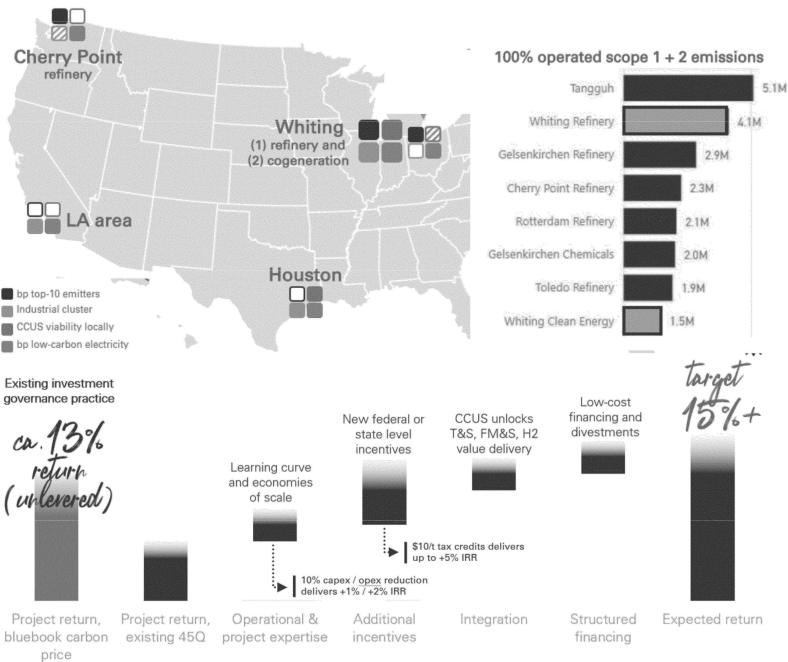
- Evolving hopper to understand cluster opportunities
- Transport and industrial segments more likely to deliver near-term revenue than tech or consumers
- City engagement will likely be the second step in a cluster engagement, rather than the first step
- Midwest US strongest overlap of bp assets with opportunity

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Business development & regional integration opportunities- NW Indiana Opportunity



CCUS

- Whiting as an anchor
- Expansion subject to additional incentives or green premium

Partnerships and advocacy

- Advocacy for further incentives
- Partnering with consumer goods to share green premium

Low-carbon electricity

- Wind & solar
- Whiting Clean Energy plus CCUS

Clean fuels

- Renewable diesel
- RNG, CONG, NG
- Conventional fuels

Refueling fleet

- HDV: FCEV, EV
- Marine

Offer for ports

- Indiana Harbor
- Burns Harbor

Carbon offsets

- Voluntary
- Regulatory

Circular economy

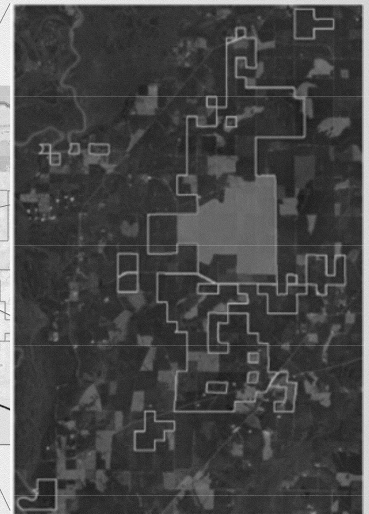
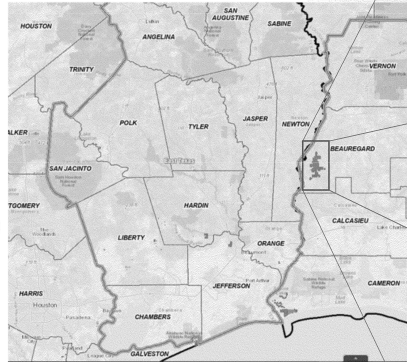
- Fulcrum
- Brightmark

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Project Aurora¹ - Louisiana Energy Park



- Multiple, integrated low carbon business opportunities on existing 14,500 acre surface and mineral holding
 - Phase 1: 300 - 500 MW Solar Facility – LSBP
 - Phase 2: Green or Blue Hydrogen
 - Offtake – IST
 - Customers – bp internal and external outlets along the gulf coast industrial complex and I-10 Corridor
 - Potential CCUS in BPX owned saline aquifers
 - Possible, small forest carbon offsets



Option 3
2,757 acres
~72% Buildable

¹ Aurora is the Greek goddess of the dawn signifying bp's move into a "new dawn" of Green Initiatives on the traditionally oil & gas heavy bpx assets

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Project Aurora Economics Underpinned by PPAs and Tax Attributes



Offtake Agreements / PPAs

Preliminary Internal and External Conversations have been constructive

bp Internal (Clive & Stephanie)

- BP has extensive tankage access via third parties, a 100kbd Condensate splitter with Kinder Morgan, Capline line pipeline near by where we hold equity and potentially Colonial Pipeline where we are a larger shipper and hold good relationships. Castrol Blend plant is the other area.

External

- Cheniere: consistent with their ESG mandates
- Tellurian: want to green their company

Work with T&S to structure and negotiate PPA

Tax Attributes

- Investment Tax Credit (ITC)
 - Used to offset tax liability
 - Available for qualifying capex (~95% of capital spend will fall into this category)
 - 20 year carry forward provision - BP has never had to take a loss on the credits
- ITC Timing
 - Currently ITCs cannot be utilized due to BP being in overall domestic loss (ODL) status due to Macondo
 - Anticipated to exit ODL in 2025, but this may change
 - Equinor JV offshore wind and other projects will use ITCs before additional projects
 - Anticipate being able to monetize bpx solar ITCs in 2030; this will erode project economics

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- Tax Equity
 - Cash investor receives all of the tax attributes (ITCs, losses, depreciation, etc.) in exchange for financing the project
 - Investor exits the project once they have met their IRR
 - Can be an expensive method to finance considering BP's low cost of capital

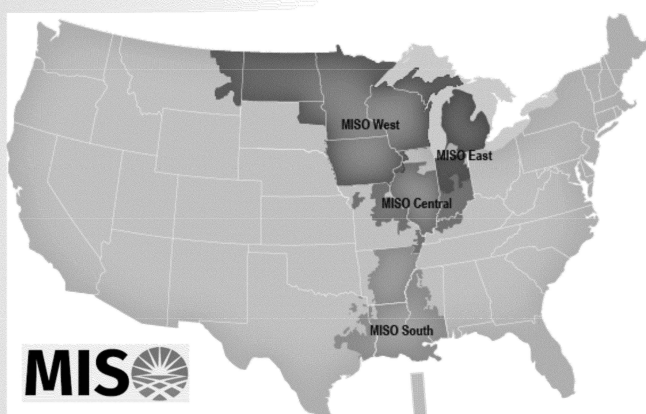
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Source: Eric Ensminger – bp Tax Group 25

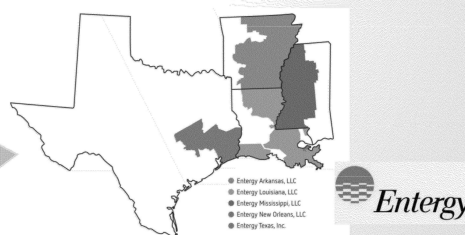
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Working Collaboratively with bp T&S to Develop Offtake Agreements



- ☐ Lake Charles/Sulphur area located in MISO footprint
- ☐ Wholesale traded market; MISO south as the most traded location in the region
 - Recently integrated into MISO. Lower liquidity overall
- ☐ Regulated market - Entergy primarily operates end use supply throughout region
- ☐ Entergy is primarily the off taker for most renewable generation in the area
- ☐ Will need to evaluate unique structures to work with individual corporates in the region



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Source: Ken Fleming and Shazma Khan, bp Trading & Shipping
RC&S Group

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Timeline and Key Considerations



- 2021 MISO Interconnect Permit filing deadline: July 22, 2021
 - bp/bpx entity
 - \$500k initial cash cost

Continued engagement of key stakeholders

- Offtake and Marketing
- Entity and Deal Structure
- Project Financing and Economics
- Internal bp approvals and funding



Questions.....