

bpx energy



bpx Carbon Steering Table

September 16, 2021

BPA_HC0R_00330513

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Agenda

Aim 1 and 4 Updates	Faye Gerard	5 mins
ESG update	Faye Gerard	10 mins
Aim 6 & 8 progress updates	Sam Knaizer	10 mins
Aim 7 SER Update	Faye Gerard	10 mins
Aim 11-20 Applicability	Faye Gerard	10 mins
bp Engagements	Faye Gerard	10 mins
Action review	Faye Gerard	5 mins

Aim 1 Update

Status Dashboard: Aim 1



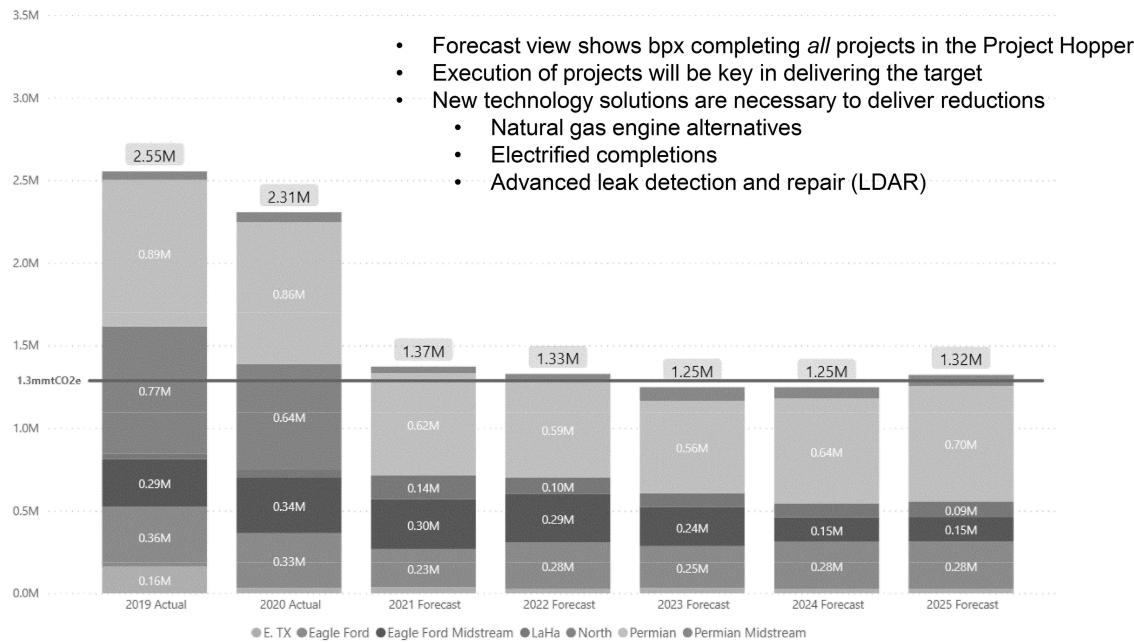
Activity	Current Status	2021 Plan Milestones	Current Activities	Risks	Request for Support
Path to Net Zero	Carbon accounting tool	2Q: Education: Methane matters webcast (Complete) 3Q: Identify carbon accounting tool	Assessing ESG tools	No off the shelf tools exist	None
GHG Reduction Projects	2021/2022 opportunities identified, some funded	2Q: Recommend projects for emission reduction capital allocation	Submitted Project Hopper with GFOz pack	Receiving funding for all Project Hopper projects required to achieve 50% reduction	None
GHG Forecasting Model	Using tool for GFO	2Q: Deliver LTP GHG forecast (Complete) 3Q: AFE Forecast tool 4Q: Automate; integrate w/3 rd party platform	Working with IT team to automate forecast inputs	Long-term viability to keep GHG forecast aligned with development planning updates, SST software	None

Status

On target Monitor progress At risk for delivery No Update

CO₂e Forecast by BU with Reduction Projects

Current forecast with all hopper projects funded shows meeting the 50% reduction target by 2025

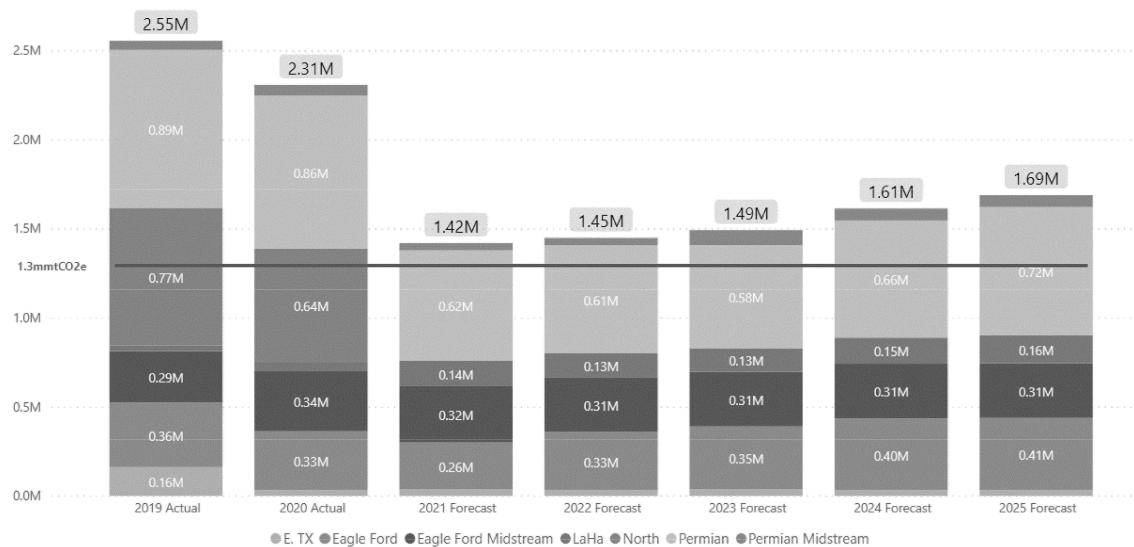


CO₂e Forecast by BU with Approved Reduction Projects

Current forecast with Approved hopper projects funded shows meeting the 34% reduction target by 2025

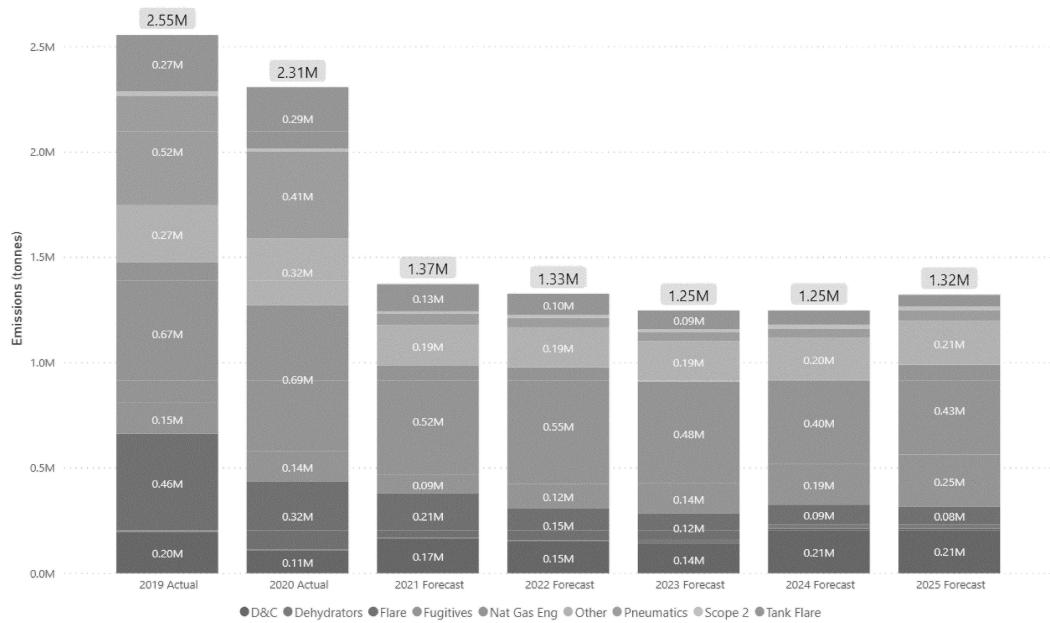


- Forecast view shows bpx completing *Approved* projects in the Project Hopper
- Additional funding of projects is needed due to the growth in the business



CO₂e Forecast by Emissions Source with Reduction Projects

Greatest reductions are from natural gas engines, flaring and fugitive emissions



Aim 4 Update



Status Dashboard: Aim 4 (Methane Measurement)

Deep dive into individual site emissions to inform methane measurement

Activity	Current Status	2021 Plan Milestones	Current Activities	Risks	Request for Support
Methane Measurement	Strategic methane measurement plan	4Q: Deliver measurement plan	<ul style="list-style-type: none">Site-by-site methane analysisFinalizing Success Case	<ul style="list-style-type: none">Proven continuous site-level measurement technologies do not exist*	Ops validating site-by-site equipment for emission calcs
Transparent Data	Assess methane measurement data	3Q: Create database; analyze methane data	<ul style="list-style-type: none">Methane measurement data source discoveryData source reconciliation and data analysis	<ul style="list-style-type: none">Heterogeneous data sourcesChanging data sources and formats	IT support on methane measurement database
Methane Intensity	Verify and document	4Q: Develop methane reporting calculations using data	<ul style="list-style-type: none">Assessing methodology & calculations	<ul style="list-style-type: none">Methane intensity may increase using actual vs estimated data using emission factors	None

Status
On target Monitor progress At risk for delivery No Update

*Not a 2023 requirement

ESG Update

We are not currently rated at a level that reflects our new direction (February 2021)

Influential ESG ratings



Rating	Methodology	Scoring	bp									
MSCI	Measures resilience to long-term, industry material ESG risks. A company is evaluated on: <ul style="list-style-type: none"> ESG performance Risk based on its business activities, size and location of operations Controversies (incidents, legal proceedings, bad press) 	AA, AAA: Leader BB, BBB, A: Average CCC, B: Laggard	BBB	A	A	AAA	AA	A	BBB	BBB	BB	AAA
Sustainalytics		<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: <ul style="list-style-type: none"> Portfolio fit with low demand future Emissions ambitions Impairment price assumptions 	1 - 4: Leader 4 - 6: Average 7 - 10: Laggard	1.7 (2 nd)	3.3	4.7	6.7	3.0	1.3	8.3	6.7	NA	NA

1 Against utilities methodologies and benchmark – included for comparison

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

NON-EXHAUSTIVE



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



- Total promotes **7 goals, 25 aims and 75 objectives¹**
- 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.'

Plan's structure

Dimensions covered

Published commitments
<ul style="list-style-type: none"> • 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

- Achieve **carbon neutrality by 2050**
- Develop carbon sinks, such as **nature-based solutions**, by investing in forests, as well as carbon capture and storage
- **20% women on management committees**, and 50% **non-French executives**
- Provide **access to clean energy for > 25 million people** by 2030
- **Biodiversity NPI in protected areas**
- Invest **\$1.5-2bn per year in low-carbon electricity value chain**
- Invest **€5bn by 2030 in EV batteries**

- Promote **circular economy strategy with 200+ initiatives**
- Achieve net zero emissions by 2050
- Achieve **zero waste to landfill** target
- Have 100% end-to-end water management in our assets and industrial centers
- Review **grievance mechanisms**, establish **action plans to address critical social risks and enhance community relations** network
- Increase **women in leadership positions to 30%**
- **Double investment in technology initiatives** (40% of total spend on internal R&D projects) in line with the axes of the **Sustainability Model**

- Reduce the **upstream GHG emission intensity index by 43%** by 2025 vs. 2014
- Implement health management systems with the objective of promoting and maintaining the **health and well-being of Eni people**, investing **€205m by 2023**
- **Training** to support **professional paths to digitization and the energy transition**
- Provide **access to energy, health care, education, water and hygiene**
- Conduct **D&I training**
- Endorse **UNGC CEO water mandate**
- In 2019 **89% reuse of fresh water**

¹ Including Governance aims and objectives

Confidential: Companies' websites and reports



Net-Zero People Planet

Aim 6 & 8 Updates

Aim 6 & 8 Update



LC&S Priorities and bpA Coordination

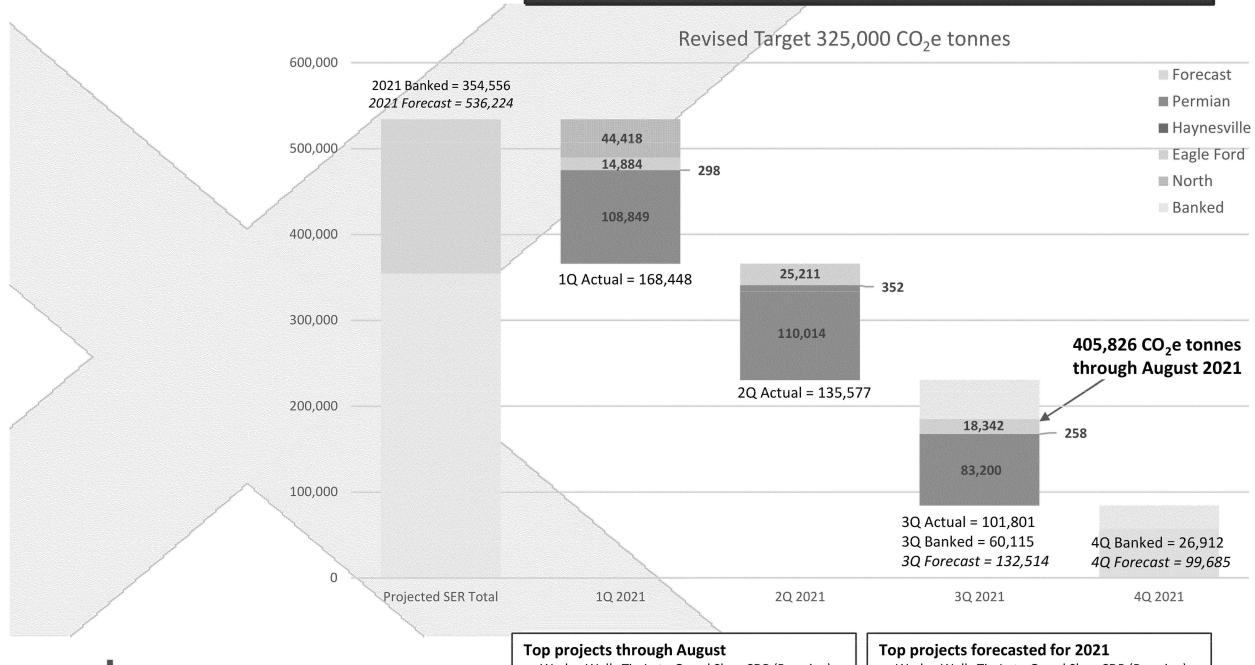
- Zero Routine Flaring Ambition
 - **Redacted - First Amendment**
- Federal Methane Regulation
 - White House is reviewing EPA's proposal
 - Interagency review process typically takes about 30 days to complete so likely October publish date
 - **Redacted - First Amendment**
- DNG 2.0
 - Communications planning efforts underway
 - Distinguish Exxon announcement
- Aim 8 – TXOGA Climate Statement

Aim 7: SER Updates



2021 SERs (CO₂e SERs in tonnes)

Recommended REVISED 2021 SER target:
From 325,000 tonnes CO₂e to 475,000 tonnes CO₂e



Top projects through August

- Wedge Wells Tie-In to Grand Slam CDP (Permian)
- PME Base Well Electrification (Permian)
- Base Well Tie-in To Grand Slam CDP(Permian)

Top projects forecasted for 2021

- Wedge Wells Tie-In to Grand Slam CDP (Permian)
- PME Base Well Electrification (Permian)
- Karnes North VRU/VRT (Eagle Ford)

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2021 SERs

(CO₂e SERs in tonnes)

BU	Project	SER Actuals Through August	SERs Banked for 2021	SER Forecast for 2021
Eagle Ford	Karnes North VRU/VRT	51,928	25,736	82,956
Eagle Ford	Hawkvile Blow Case Project	1,775	1,582	4,443
Eagle Ford	See Note 1	3,734	3,753	3,734
Eagle Ford	Extreme Makeover Project	1,000	-	2,000
Haynesville	See Note 2	908	1,056	1,443
Midstream	Karnes Gas CDP Electrification	-	1,100	1,100
North	Solar Heat Trace Pumps	44,418	44,418	44,418
Permian	PME Base Well Electrification	81,318	102,470	102,470
Permian	Base Well Tie-Ins to Grand Slam CDP	58,625	67,074	68,763
Permian	Wedge Wells Connected to Grand Slam CDP	94,842	34,620	129,385
Permian	HP Flare Lock Out	67,278	72,747	78,537
Permian	Western HP to LP Conversion	-	-	6,232
Permian	See Note 3	-	-	10,743
TOTAL		405,826	354,556	536,224

Notes

1. Eagle Ford projects: Compressor Optimization & Hawkvile VRU
2. Haynesville projects: ETX Compressor Optimization, Hung Dump Valve Detection, Solar Chemical Pumps & Mississippi 1H Electric Pump
3. Permian projects: HSS Tank Vapor Recovery & HSS Oil Infrastructure

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Aim 11-20 Applicability

Improve people's lives

More clean energy



Our aim 11 is to develop enough clean energy to benefit more than 36 million people.

By 2030 we aim to have developed 50GW renewable generating capacity – broadly enough to meet the power needs of 36 million people – including exploring ways to make clean energy accessible to those who need it most.

Tag: Pam – human rights

Just transition



Our aim 12 is to support a just energy transition that advances human rights and education.

We support the Paris Agreement, which recognises the importance of a just transition – one that delivers decent work, quality jobs, and supports the livelihoods of local communities. To support a just energy transition, we aim to collaborate with key stakeholders and other industries to support the advancement of human rights through the transition. We'll do this by developing just transition plans in priority areas and helping the workforce to develop skills for the future energy system, taking a socially inclusive approach. We aim to build stronger relationships with local communities, based on mutual trust and respect, and will support civic dialogue, greater transparency and capacity building, where we work.

Sustainable livelihoods



Our aim 13 is helping more than 1 million people build sustainable livelihoods and resilience.

We'll support the communities where we work to build greater resilience and more sustainable livelihoods. We'll focus our social investment in support of our sustainability aims. Through these actions we aim to reach more than 1 million people. We will also support our workforce through quality jobs with fair conditions.

Greater equity



Our aim 14 is greater diversity, equity & inclusion for our workforce and customers, and to increase supplier diversity spend to \$1 billion.

We want our workforce and customers to experience greater equity – fair treatment according to everyone's different needs and situations – while also helping our partners in the bp 'ecosystem' do the same. We'll aim to do this by improving workforce diversity and workplace inclusion, making customer experiences more inclusive and increasing our annual expenditure with diverse suppliers, including female, and underrepresented or minority groups (supplier diversity) to \$1 billion by 2025.

Enhance wellbeing



Our aim 15 is to enhance the health and wellbeing of our employees, contractors and local communities.

We will support them to proactively improve their physical and mental health – through innovative programmes, partnerships and offers.

Contribution to our aims



Get bp to net zero



More clean energy



Help the world get to net zero



Just transition



Sustainable livelihoods



Greater equity



Enhance wellbeing



Nature



Unlock circularity



Sustainable purchasing

bp internal

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Care for our planet

Tag: Brittany – biodiversity

Enhancing biodiversity



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

We will 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 (NPI), with a target to deliver 90% of actions within five years of project approval. We also aim to enhance biodiversity at our major operating sites and support biodiversity restoration and sustainable use of natural resource projects in the countries where we have current or growing investments. We will also continue to work with others, including our joint ventures, to influence and promote collective action on biodiversity.

Tag: Brittany – water

Water positive



Our aim 17 is becoming water positive by 2035.

We aim to replenish more freshwater than we consume in our operations. We will 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 catchment areas where we operate.

Tag: Brittany – deforestation; net zero

Championing nature-based solutions



Our aim 18 is championing nature-based solutions and enabling certified natural climate solutions.

We aim to use nature-based solutions (NbS) to deliver value and contribute to our people and planet aims in our operations and through our business activities. We will also support the development of scalable markets for certified natural climate solutions that help the world reduce deforestation, get to net zero and deliver environmental and social benefits.

Tag: Brittany – use resources responsibly

Tag: Dawn - partners/JV's

Unlock circularity



Our aim 19 is to unlock new sources of value through circularity.

We want to keep materials in use for longer and value them throughout their life cycle. We'll do this by using resources responsibly and embracing circular principles in design, operations and decommissioning and aim to work with partners and our joint ventures to create opportunities.

Tag: Brittany: GHG reductions

Tag: Dawn – sustainable practices

Sustainable purchasing



Our aim 20 is developing 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.

Contribution to our aims

Get bp to net zero

More clean energy

Sustainable livelihoods

Enhance well-being

Unlock circularity

Help the world get to net zero

Just transition

Greater equity

Nature

Sustainable purchasing

bp internal

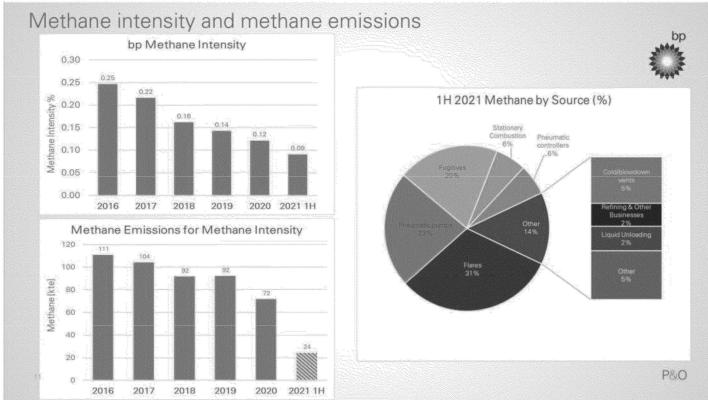
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bp Engagements



P&O Governance

Methane intensity and methane emissions



2021 SER Latest Estimate (based on 1H 2021 reporting cycle)

P&O Entity	Initial forecast (kta CO ₂ e)	1H 2021 Estimated Delivery (kta CO ₂ e)	Full Year Latest Estimate (kta CO ₂ e)
AGT	90	49	122
Angola	65	65	165
AsPac	18	3	18
Egypt	0	0	1
GoM	20	20	41
North Sea	69	42	66
Oman	29	40	42
Trinidad	29	9	27
Production	320	228	482
Wells	12	12	37
BPX	200	304	325
Refining	470	130	470
Shipping	0	8	15
Total (Mtae CO ₂ e)	1.0	0.7	1.3
ACB Commitment	Score of 1.0 = 0.95MtaeCO ₂ e	Score of 1.5 = 1.2MtaeCO ₂ e	Score of 2.0 = 1.5MtaeCO ₂ e



P&O

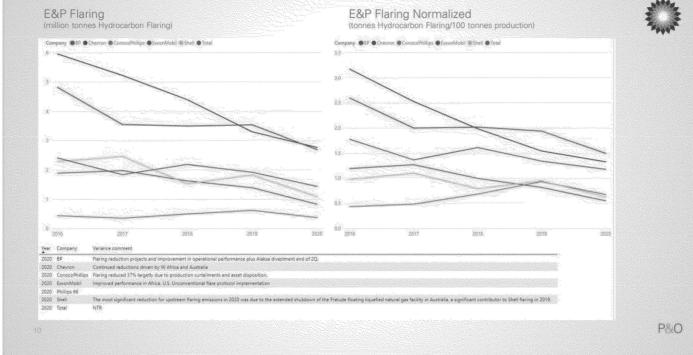
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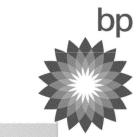
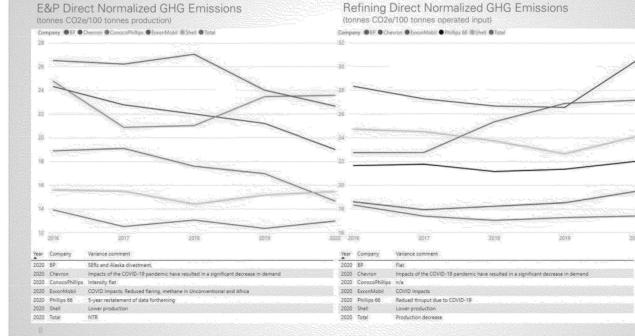
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P&O Governance

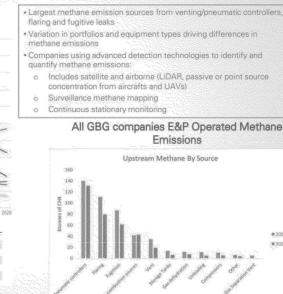
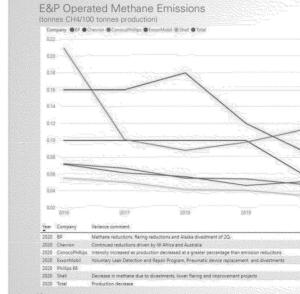
GBG - E&P Flaring (Operated Basis)



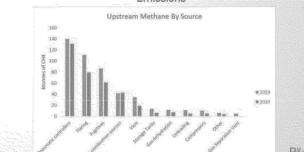
GBG - Direct GHG Emissions (Operated Basis, Normalized)



GBG Methane Emissions



All GBG companies E&P Operated Methane Emissions



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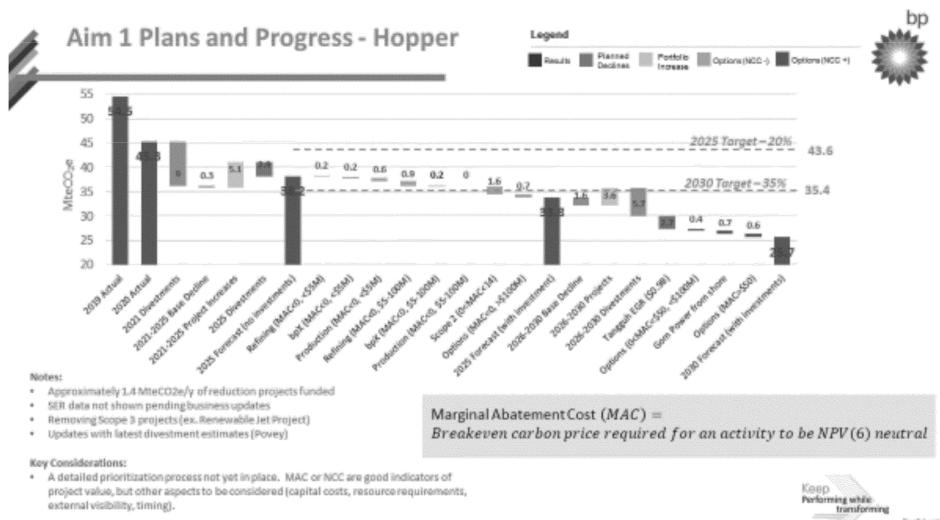
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Aim 1 & 4 Governance



Sustainability Governance



As we continue our journey, we are introducing new activities in a thoughtful way

2021

2025 →



Net Zero (1-10)
Clean energy (11)
Human Rights (12-13)
Biodiversity (16)
NCS (18)

In action

Just transition (12)
Livelihoods (13)
Wellbeing (15)
Water (17)
Purchasing (20)

Planning

In action

Equity (14)
NbS (18)
Circularity (19)

Defining

Planning

In action

Embedding sustainability in our DNA

And there are no new actions for businesses for 2021 beyond what's already in plan
bpx energy

 = early movers

bp internal