

Issue prioritization process – for IMWG and reporting

We should consider the importance to our key stakeholders and the potential impact on our business for all issues, whether destined for reporting, IMWG or both.

1. How important do you think this is to stakeholders?

	Environmental or societal impact	Extent of stakeholder concern	Integral to BP's core activities	Sustainability credentials
Higher	Perceived as having a high impact on society or the environment	Known to be of high priority to 'core' stakeholders	Strongly related to the activities of BP and others in its sector Related to possible non-compliance with BP policies & commitments	Particularly important in enabling judgments to be formed about BP's sustainable development management
Medium	Perceived as having a moderate impact on society or the environment	Known to be of moderate priority to core stakeholders, or high priority to other stakeholders	Is related to the activities of the company but also many other industry sectors	Is fairly important in enabling judgments to be formed about BP's SD management
Lower	Perceived to have a low impact on society or the environment	Known to be of low priority to most stakeholder categories	Is only indirectly related to the activities of the company	Is not very important in enabling judgments to be formed about BP's SD management

2. What is the estimated business impact?

	Media or public reaction	Government/key stakeholder reaction	License to operate	Management time	Financial Impact	
Higher	A	Public or investor outrage on a global scale	Major intervention from major government – US, UK, EU, Russia Irrevocable damage to relationships with key stakeholders of benefit to the Group	Threat of global loss of license to operate	Long term diversion of management time to manage issue / event	>\$20 billion
	B	Public or investor outrage in major western markets – US, EU	Intervention from major government – US, UK, EU, Russia Damage to relationships with key stakeholders of benefit to the Group	Loss of license to operate a major asset in a major market – US, EU, Russia	Long term diversion of executive management time to manage issue / event	\$5 billion - \$20 billion
	C	Public or investor outrage in other material market where we have presence or aspiration	Intervention from other major government	Loss of license to operate other material asset, or severe enforcement action against a major asset in a major market	Mid-term diversion of executive management time to manage issue / event	\$1 billion - \$5 billion

Medium	D	Public or investor outrage in a non-major market, or localised or limited “interest- group” outrage in a major market Prolonged adverse national or international media attention Widespread adverse social impact	Interventions from non- major governments Damage to relationships with key stakeholders of benefit to the segment	Severe enforcement action against a material asset in a non-major market, or against other assets in a major market	Short-term diversion of Board and executive management time to manage issue / event	\$100 m to \$1 billion
	Lower	E	Limited “interest-group” outrage in non-major market Short term adverse national or international media coverage	Damage to relationships with key stakeholders of benefit to the SPU	Other adverse enforcement action by regulators	Mid-term diversion of executive management time to manage issue / event
F		Prolonged local media coverage Local adverse social impact	Damage to relationships with key stakeholders of benefit to the performance unit	Regulatory compliance issue which does not lead to regulatory or other higher severity level consequence	Short-term diversion of executive management time to manage issue / event	\$500k- \$5m
G		Short term local media coverage	Some disruption to local operations (e.g., loss of single road access less than 24 hours)	Non-compliance with industry standards but no regulatory action taken	Mid-term diversion of executive management time to manage issue or event	\$50k - \$500k
H		Isolated and short term complaints from neighbours (e.g., complaints about specific noise episodes)	Minimal damage to relationships with local stakeholders or neighbours	Non-compliance with standards that exceed industry norms	Short-term diversion of senior management time to manage issue or event	<\$50k