



# BP America

2016 Performance and 2017/2018 Plan Review

28<sup>th</sup> October 2016

# BP America

## Agenda



- Opening and Context
- Safety Moment
- BP America Overarching Priorities / Objectives Review
- Resource Requirements and Key Metrics
  - 2016 YTD Spend
  - 2017 GFO Zero
  - Headcount Overview
- 2017 Plan: Risks and Opportunities
- BPA Risk Updates
- 2017 Performance Management Plan

# BP America

## Overarching Priorities

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**Intent** Lead BP's agenda in the US for acquiring and maintaining local, state, and federal government and public support  
Monitor and understand external threats and opportunities to business, develop and deliver plans to achieve BP desired outcomes

Category	Priority	Activity
Safety	Personal Safety	<ul style="list-style-type: none"> <li>• Ensure compliance with Office Safety requirements and support well-being of staff</li> </ul>
Governance & Oversight	Maintain integrity of the corporate governance process	<ul style="list-style-type: none"> <li>• BPA Board of Directors oversight of material governmental, judicial and regulatory obligations</li> <li>• Ensure subsidiary boards fulfill their duly appointed responsibilities</li> <li>• Oversight of management of significant risks across the US</li> </ul>
	Oversight and assurance of residual DWH activities	<ul style="list-style-type: none"> <li>• Compliance with Plea agreement, EPA Administrative agreement, EPA consent decree</li> <li>• Maintain relationships with Process Safety and Ethics monitors</li> <li>• See through implementation of the final process safety recommendations agreed with the DOJ</li> <li>• Provide assurance to SEEAC on ongoing legal obligations</li> </ul>
	Oversight of major legal risks	<ul style="list-style-type: none"> <li>• Major Litigation and Investigations</li> <li>• Legal issues with major reputational exposure</li> </ul>
Protect and deliver value	Individual Business Priority Plans	<ul style="list-style-type: none"> <li>• Monitor Key Focus Areas for each business based on each businesses BP America Plan, deliver the advocacy plans</li> </ul>
	Climate policy, law s and regulations	<ul style="list-style-type: none"> <li>• Understand US policy, regulatory, and broader stakeholder agenda, assess the business impact, and develop a position aligned with BP Group</li> <li>• Design and implement advocacy &amp; engagement plans to protect the business and the industry to provide affordable, abundant, and secure energy</li> <li>• Shape the climate policy dialogue in the U.S. as an informed, responsible, and trusted voice</li> </ul>
		<ul style="list-style-type: none"> <li>• Anticipate and adequately respond to climate regulations, legislation, initiatives at the local, state &amp; federal level</li> </ul>
		<ul style="list-style-type: none"> <li>• Protect oil &amp; gas incentives in the existing tax legislation and rules</li> </ul>
	Tax law s and regulations	<ul style="list-style-type: none"> <li>• Monitor, advocate, and educate on proposed rules and new tax reform initiatives</li> <li>• Increase visibility to state level tax issues; improve coordination of all emerging tax issues</li> </ul>

# BP America

## Overarching Priorities

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Category	Priority	Activity
Protect and deliver value	Labor and Employment law s and regulations	<ul style="list-style-type: none"> <li>Assess impact of laws and regulations on BP as a federal government contractor. Assure compliance with relevant requirements</li> <li>Identify and assess risks arising from labor and employee benefits laws and rules, develop response plans as required</li> </ul>
People	Capability & Talent Management	<ul style="list-style-type: none"> <li>Build enduring capability and maintain healthy talent pool to ensure high impact performance</li> </ul>
	Diversity & Inclusion	<ul style="list-style-type: none"> <li>Develop and implement plans to achieve US D&amp;I goals; Set holistic approach to D&amp;I including university relations, supplier engagement, etc.</li> </ul>
Reputation, brand & outreach	Credible and trusted voice	<ul style="list-style-type: none"> <li>Sustain BP's reputation as a major US investor, a safe and reliable operator, force for good, and improve our credibility and trust as a voice to influence policies</li> </ul>
	Branding through Transition	<ul style="list-style-type: none"> <li>Design and execute plans for BP brand in the US to reflect transformation &amp; modernization and low carbon strategies, fit for the U.S. context</li> </ul>
	Trade Associations	<ul style="list-style-type: none"> <li>Leverage BP membership in major trade groups in service of top business priorities</li> </ul>
	Corporate Social Responsibility and Sponsorship Activities	<ul style="list-style-type: none"> <li>Review community investment and sponsorship on a regular basis to ensure alignment with business objectives</li> <li>Leverage our community investment and employee volunteering to promote corporate reputation through media and public outreach</li> </ul>
Coherency	One BP leadership	<ul style="list-style-type: none"> <li>Provide leadership to BP staff to rally behind corporate agenda, group strategy; reinforce momentum, and sense of purpose</li> </ul>
	Employee Engagement	<ul style="list-style-type: none"> <li>Support morale and motivate staff leveraging BP America identity and tone from the top on Values &amp; Behaviors, Ethics &amp; Compliance, and Code of Conduct</li> </ul>
	Employee Benefits	<ul style="list-style-type: none"> <li>Provide leadership and oversight for US employee programs (healthcare benefits, pensions) via the Benefits Committee</li> </ul>





# BP America

## Resource Requirements and Key Metrics

# BP America

## Financials and Headcount Overview



2016		
	2016 Plan	2016 LE

### Financials

BPA	\$93m	\$83m	• 11% below plan
DWH	\$69m	\$60m	• 13% below plan

### Headcount

BPA BP Staff	87	82
BPA Contractors	7	6
DWH (BP Staff & Contractors)	19	20

GFO Zero		
	2017	2018

### Financials

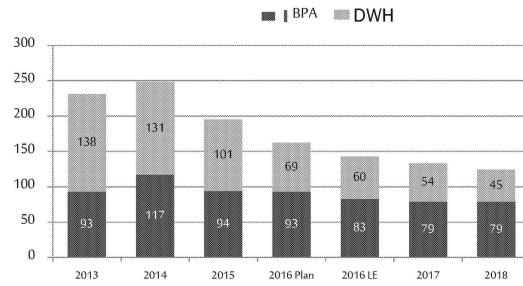
BPA	\$79m	\$79m	• Consistent with August 2016 submission
DWH	\$54m	\$45m	• Reflects \$2m reduction (response to PESC request)
			• 2017 and 2018 plans reflect \$5m reduction since August LTP

### Headcount

BPA BP Staff	80	80	• Reflects 2 FTE reduction from August 2016 submission
BPA Contractors	6	6	(C&EA reduction of 2 FTEs)
DWH (BP Staff & Contractors)	18	17	

# BP America

## Financial Data (\$m)



President / Defend BP	5	10	7	8	8	4	4
Share based payments	2	2	2	2	2	2	2
US Corporate Secretary	-	-	2	2	2	2	2
Oversight/GDWR/VP	7	10	13	6	5	3	3
Alaska	6	14	7	7	7	7	7
BP Foundation	-	-	6	11	6	10	10
C&EA (BPA Scope Only)	73	81	57	57	52	51	51
<b>BP America</b>	<b>93</b>	<b>117</b>	<b>94</b>	<b>93</b>	<b>83</b>	<b>79</b>	<b>79</b>
<b>DWH – function spend</b>	<b>138</b>	<b>131</b>	<b>101</b>	<b>69</b>	<b>60</b>	<b>54</b>	<b>45</b>

### BP America Function:

- 2013 lower during DWH corporate strategy re-assessment (did not fill roles and reduced costs)
- 2014 filled vacancies – costs more reflective of prior years
- 2016 LE is 29% lower than 2014 actuals and 10% lower than Plan
- 2017 and 2018 include the additional \$2m reduction (PESC)

### Deepwater Horizon

- 2016 includes eDiscovery savings
- 2017 and 2018 reflect additional \$5m reduction since August LTP

# BP America

## Financial Data by Team (\$m)



	2015 Actuals	2016 GFO Zero	Mid 1Q updates	2016 LE	2017	2018
President	6.1	5.9	0.5	6.4	3.0	3.0
US Secretary	1.8	1.6	0.0	1.6	1.8	1.8
Oversight	7.1	1.2	0.6	1.8	-	-
BPA VP	6.1	4.2	(0.7)	3.5	2.9	2.9
C&EA (BPA scope only)	57.4	57.4	(5.2)	52.2	51.8	51.8
Shared Based Payments	2.4	2.5	-	2.5	1.8	1.8
Defend BP	0.4	2.0	-	2.0	1.5	1.5
Alaska	6.8	7.3	(0.4)	6.9	6.9	6.9
<b>Total BP America</b>	<b>88.1</b>	<b>82.1</b>	<b>(5.2)</b>	<b>76.9</b>	<b>69.6</b>	<b>69.7</b>
BP Foundation	5.7	10.7	(5.0)	5.7	9.7	9.7
<b>Gross Cash Costs</b>	<b>93.8</b>	<b>92.8</b>	<b>(10.2)</b>	<b>82.6</b>	<b>79.3</b>	<b>79.4</b>
Embedded Cash Costs (Alaska)	(6.8)	(7.3)	-	(6.9)	(6.9)	(6.9)
<b>Operating Costs (OB&amp;C Hosted)</b>	<b>87.0</b>	<b>85.5</b>	<b>(10.2)</b>	<b>75.7</b>	<b>72.4</b>	<b>72.5</b>
Depreciation	0.3	0.4	-	0.4	0.4	0.4
<b>RCOP</b>	<b>87.3</b>	<b>85.8</b>	<b>(10.2)</b>	<b>76.1</b>	<b>72.8</b>	<b>72.9</b>

### Memo:

Change versus 2016 LE, ex-Foundation  
Change versus 2015, ex- Foundation

-9%      -9%  
-18%     -18%

**2017 cost reductions  
versus 2016 LE (\$7m)  
(ex- Foundation):**

**President (\$3.5m):**  
Elimination of USOC  
sponsorship

**Oversight (\$1.8m):**  
elimination of team

**BPA VP (\$0.6m):** Further  
headcount reductions in  
2017 & lower OTC spend

**SBP (\$0.7m)**

**Defend BP (\$0.5m)**

# BP America

## Financial Data by Spend Category (\$m)



	2015 Actuals	2016 GFO Zero	Mid 1Q Updates	2016 LE	2017*	2018
Staffing Costs	29.3	22.7	(1.5)	21.3	21.7	21.7
Shared Based Payments	2.4	2.5	-	2.5	1.8	1.8
Travel & Entertainment	1.7	2.9	(0.5)	2.4	2.1	2.1
Lobbying, Events, Other Consulting	15.4	10.2	0.4	10.6	7.1	7.3
Contributions	6.8	9.5	(1.8)	7.7	8.8	8.6
USOC Sponsorship	3.3	3.5	-	3.5	-	-
Alaska	6.8	7.3	(0.4)	6.9	6.9	6.9
Membership – API	9.8	9.9	(1.4)	8.5	8.5	8.5
Memberships- Other	7.3	7.8	(0.8)	7.0	6.9	6.9
Rent and Other	4.9	4.7	(0.1)	4.6	4.4	4.4
Defend BP	0.4	2.0	-	2.0	1.5	1.5
Overview	-	(0.9)	-	-	-	-
<b>Total BP America</b>	<b>88.1</b>	<b>82.1</b>	<b>(5.2)</b>	<b>76.9</b>	<b>69.6</b>	<b>69.7</b>
BP Foundation	5.7	10.7	(5.0)	5.7	9.7	9.7
<b>Gross Cash Costs</b>	<b>93.8</b>	<b>92.8</b>	<b>(10.2)</b>	<b>82.6</b>	<b>79.3</b>	<b>79.4</b>
Embedded Cash Costs (Alaska)	(6.8)	(7.3)	0.4	(6.9)	(6.9)	(6.9)
<b>Operating Costs (OB&amp;C Hosted)</b>	<b>87.0</b>	<b>85.5</b>	<b>(9.8)</b>	<b>75.7</b>	<b>72.4</b>	<b>72.5</b>
Depreciation	0.3	0.4	-	0.4	0.4	0.4
<b>RCOP</b>	<b>87.3</b>	<b>85.8</b>	<b>(9.8)</b>	<b>76.1</b>	<b>72.8</b>	<b>72.9</b>

### Memo:

Change versus 2016 LE, ex-Foundation

-9%

-9%

Change versus 2015, ex-Foundation

-18%

-18%

\* 2017 plan Gross Cash Costs number has been updated from \$81.3m (June 2016 submission) to \$79.3m. This reflects an additional \$2m cost reduction as requested by PESC. The \$2m reduction is sourced from (\$0.5m C&EA, \$0.5m Defend BP and \$1.0m BP Foundation)

**2017 reductions versus 2016 LE (\$7m) (ex-Foundation)**

**USOC sponsorship(\$3.5m)  
SBP(\$1m)**

**Consulting (\$3m):** following the elimination of the oversight team and the Olympic Spend

**Defend BP(\$0.5m)**

**Partly offset by increase**

**Contributions (\$1m):** largely due to the Chicago Architecture Biennial contribution

# BP America

## Deepwater Horizon Financial Data (\$ million)



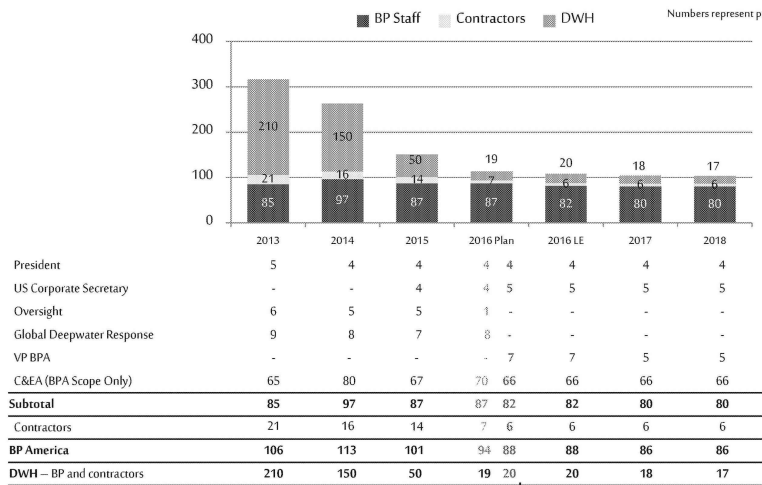
Staff and Functional Costs	2015	2016 GFO Zero	2016 LE	2017	2018
Staffing costs (incl. contractors)	11.0	6.4	5.5	5.5	5.2
T&E	0.4	0.3	0.3	0.3	0.3
Claims support	24.3	23.4	23.5	16.6	15.7
IT&S	44.4	26.3	19.3	22.5	15.4
R&ER projects and severance	5.4	-	(4.0)	-	-
BP Legal / OB&C charge ins	11.9	12.1	12.1	6.5	6.5
Rent and Other	2.9	2.6	3.2	2.3	2.3
Overview	-	(2.2)	-	-	-
<b>Sub-total</b>	<b>100.4</b>	<b>68.8</b>	<b>60.0</b>	<b>53.5</b>	<b>45.3</b>
Cat Island sale	-	-	(13.0)	-	-
<b>Total</b>	<b>100.4</b>	<b>68.8</b>	<b>47.0</b>	<b>53.5</b>	<b>45.3</b>

- 2017 Plan at \$6.5m below 2016 and \$5m below August LTP view
- Forecast excludes any CSSP acceleration options (excludes Phase 3)
- IT&S reflects eDiscovery savings, 2017 Cloud costs
- Anticipate Cat Island sale before year-end

Cash Payments	2015	2016 GFO Zero	2016 LE	2017	2018
Staff and Functional costs	100	69	60	54	45
Government Settlements	605	1,807	1,750	1,784	1,758
Opt-out / Excluded	-	-	977	49	35
Securities class action MDL2185	-	-	100	75	-
CSSP	(Trust)	1,811	3,047	2,242	694
CSSP - PSC Common Benefit	(Trust)	344	343	-	-
Legal - 3 <sup>rd</sup> Party	176	119	66	55	45
GoMRI	64	65	69	65	50
Litigation matters, fees, other	200	7	(10)	2	-
<b>Sub-total</b>	<b>1,145</b>	<b>4,223</b>	<b>6,402</b>	<b>4,326</b>	<b>2,626</b>

- Government settlements amount and timing mostly fixed
- 2017 Plan Risk if Court approval delayed on securities settlement or PSC Common Benefit fee ruling
- No allowance for any new litigation settlements

# BP America Headcount Data



Sept 2016 actual headcount

- 2014 increase due to filling open vacancies existing prior year - 2016 LE is 22% lower than 2014 actuals and 6% lower than Plan
- C&EA: 2017 & 2018 Plan figures reflect a net 2 reduction from original plan submission (from 68 to 66):  
→ Includes 4 backfilled roles offset by retirements & departures
- DWH numbers exclude MSA

# BP America

## 2017 Plan: Risks and Opportunities



### Risks to Delivery

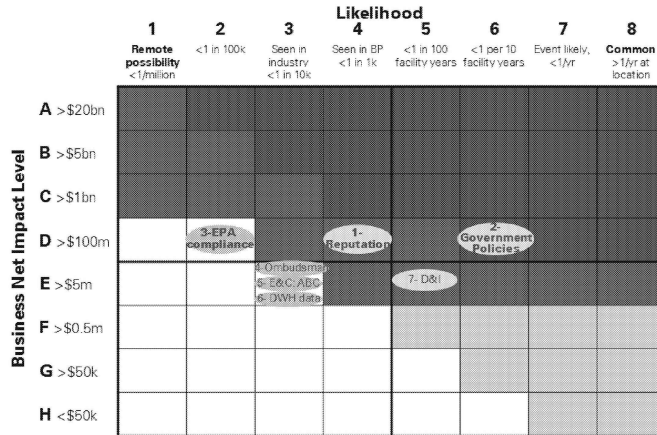
- BPA
  - API – potential \$2m increase to 2017 dues budget
- DWH
  - Further litigation settlements not provided for
  - Higher pace of claims pressuring cash flow

### Opportunities to Reduce Spend

- BPA
  - To be identified as needed
- DWH
  - Faster wrap-up of claims program saving costs long-term



# BP America Risk Updates



Plotting all risks on a single Risk Matrix provides a visual representation of the assessment of risk. It should not be interpreted as providing 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 Actions.

## Group-Level Risks

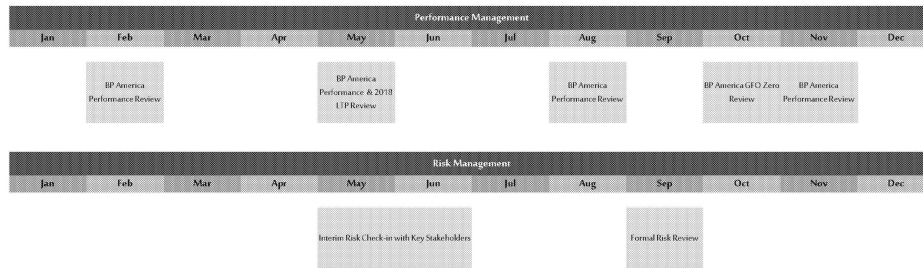
- 1) Damage to BP's Reputation
- 2) Harmful New US Regulatory and Tax Policies
- 3) Compliance with the EPA Agreement

## Other Significant Business Risks

- 4) Failure to effectively transition Ombudsman Activity
- 5) Failure to manage bribery and corruption risks
- 6) Risk of loss or unavailability of DWH data
- 7) Failure to improve diversity and inclusion

# BP America

## 2017 Performance Management Plan



BP America



## Appendix

# BP America

## 2016 Financials and budgets - BP America Function

Totals may not add up due to rounding



US Olympic (USOC) contribution and activation fees separated out from President and Strategy & Planning budgets

3Q YTD 2016 \$m	2016 GFO Zero	Pres. (incl. SBP)	US CoSec	Over/ GDWR	Ext. Affairs	Reg. Affairs	State Local	Fed. Affairs	Strategy & Plan	USOC	Alaska*	3Q YTD16 Spend	2016 LE	% Spend	
Staffing Costs	26.9	3.1	0.7	1.5	1.9	3.0	4.1	1.3	2.7	0.3	1.1	19.6	25.2	78%	
Consult, Events, Lobby	11.5	0.0	0.3	1.8	0.2	0.2	0.9	0.9	1.0	1.1	0.5	6.9	11.3	62%	Slide 16
Contributions	27.5	0.0	0.0	0.0	6.8	0.0	1.8	0.1	1.2	2.7	1.6	14.1	20.4	69%	Slide 17
Memberships	18.0	0.0	0.0	0.0	1.2	6.8	3.1	0.2	0.1	0.0	0.2	11.6	16.4	71%	Slide 18
Rent and Other	8.9	0.4	0.0	0.0	0.3	0.2	0.5	0.2	3.4	0.1	0.5	5.7	9.5	60%	Slide 19
3Q YTD Spend by Team	92.8	3.8	1.0	3.3	10.4	10.2	10.4	2.7	8.1	4.1	3.9	57.9	82.6	70%	
Latest Estimate		7.4	1.6	5.3	13.9	13.6	13.4	3.7	11.4	5.5	6.9	82.7			
% Spent		51%	65%	62%	75%	75%	78%	73%	71%	75%	56%	70%			

↓  
Unused Defend BP and  
Contributions budget & lower SBP  
allocation

↓  
Phasing related- Historically Q4 is  
heavier in spend

\*Alaska is a separate line item in the earlier Financials by Spend Category table (Slide 8) so totals by category will not tie exactly to this table.

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# BP America

## 2016 Financials and budgets - BP America Function

Totals may not add up due to rounding



Consulting, Events, Lobbying \$m	2016 GFO Zero	Q3 YTD Actuals	FY16 LE	2017 Plan	Comments
Offshore Technology Conference	1.1	0.6	1.1	1.1	2016 below budget, will come in 0.2 below LE
Oversight/GDWR - Other	0.8	1.2	1.8	0.2	2016 spend includes offsite storage project, LE includes 0.6 overview
President	0.2	0.0	0.2	0.2	Unused amounts
CoSec	0.4	0.3	0.4	0.4	On budget, 2016 spend primarily Baker & McKenzie
US Olympics	2.3	1.1	2.0	0.0	2016 activation fees and other small events, eliminated in 2017
MS150	0.3	0.3	0.4	0.4	On budget
NRG Suite & Houston Texans	0.3	0.1	0.3	0.3	2017 continue at current funding level
HLSR & Employee Picnic	0.0	0.0	0.0	0.1	Reinstating employee BBQ picnic in 2017
Strategy & Planning	1.2	0.7	1.0	0.9	PAC Execution & Other events (CERA, UW, etc.)
Regulatory Affairs	0.5	0.2	0.4	0.4	On budget
Federal Affairs	1.3	0.9	1.3	1.3	On budget, 2016 spend primarily Duberstein, Podesta, Alpine, Fierce
State & Local Affairs	1.5	0.9	1.4	1.4	On budget
External Affairs	0.3	0.2	0.3	0.4	On budget
<b>Sub-total</b>	<b>10.2</b>	<b>6.4</b>	<b>10.6</b>	<b>7.5</b>	
Alaska (consulting, etc.)	0.7	0.5	0.7	0.7	On budget
<b>Total</b>	<b>10.9</b>	<b>6.9</b>	<b>11.3</b>	<b>8.2</b>	



# BP America

## 2016 Financials and budgets - BP America Function

Contributions \$m	2016 GFO Zero	3Q YTD16 Actuals	FY16 LE	2017 Plan	Comments
BP Foundation	10.7	5.7	5.7	9.7	2017 reflects 1.0 PESC reduction
US Olympics	3.5	2.7	3.5	0.0	Eliminating sponsorship in 2017
Other BPA	0.5	0.0	0.5	0.3	Unused President budget
Chicago Architecture Biennial	0.0	0.0	0.0	1.0	Externally committed
Student Conservation Association	0.0	0.0	0.0	0.5	Evaluating 2017 support
Houston Livestock and Rodeo	0.3	0.3	0.3	0.3	2017 continue at current funding level
CERA Week Sponsorship	0.3	0.3	0.3	0.3	2017 continue at current funding level
National MS Society (BP MS 150)	0.3	0.3	0.3	0.3	2017 continue at current funding level
US Hispanic Chamber of Commerce	0.2	0.2	0.2	0.2	2017 continue at current funding level
National Action Council for Minorities in Engineering	0.2	0.2	0.2	0.2	2017 continue at current funding level
PAC matching	0.4	0.0	0.4	0.4	2017 continue at current funding level
State & Local	5.0	1.8	3.6	3.6	Underspend is offset by 0.5m overspend in Memberships
Other C&EA	2.5	1.3	2.0	1.8	2017 reflects 0.5 PESC reduction
<b>Sub-total</b>	<b>23.9</b>	<b>12.4</b>	<b>16.9</b>	<b>18.2</b>	
Alaska (contributions)	3.6	1.6	3.5	3.5	Historically Q4 contributions
<b>Total</b>	<b>27.5</b>	<b>14.0</b>	<b>20.4</b>	<b>21.7</b>	



# BP America

## 2016 Financials and budgets - BP America Function

Memberships \$m	2016 GFO Zero	3Q16 YTD Actuals	FY16 LE	2017 Plan	Comments
American Petroleum Institute	9.9	6.5	8.5	8.5	13% lower than 2015
Western States Petroleum Assoc.	2.4	0.9	2.0	2.0	Expect 0.2 2017 reduction, BP is ~ 7% of WSPA op budget
National Assoc. of Manufacturers	0.5	0.5	0.5	0.5	150k absorbed by Defend BP
US Chamber of Commerce	2.0	0.3	2.0	2.0	2016 budget increased by 0.25 – funded by Defend BP budget
National Petroleum Council	0.2	0.2	0.2	0.2	2017 continue at current funding level
Grow Louisiana Coalition	0.4	0.3	0.4	0.4	2017 continue at current funding level
Greater Houston Partnership	0.1	0.1	0.1	0.1	2017 continue at current funding level
Mississippi Energy Institute	0.1	0.1	0.1	0.1	2017 continue at current funding level
Republican Governors Assoc.	0.2	0.2	0.2	0.1	2017 slightly lower
Democratic Governors Assoc.	0.1	0.1	0.1	0.1	2017 continue at current funding level
LA Mid-Con O&G Assoc.	0.2	0.2	0.2	0.2	2017 continue at current funding level
Other State & Local	0.5	0.9	0.4	0.4	Overspend versus LE- See Contributions
Other	0.2	1.1	0.9	0.7	
<b>Sub-total</b>	<b>16.8</b>	<b>11.4</b>	<b>15.5</b>	<b>15.4</b>	
Alaska (memberships)	1.2	0.2	0.9	0.9	Below budget
<b>Total</b>	<b>18.0</b>	<b>11.6</b>	<b>16.4</b>	<b>16.3</b>	

~ 87% of budget detailed with specific memberships

# BP America

## 2016 Financials and budgets - BP America Function

Totals may not add up due to rounding



Rent and other \$m	2016 GFO Zero	3Q YTD Actuals	FY16 LE	2017 Plan	Comments
DC Office - Rent, etc.	3.5	2.4	3.3	3.3	Slightly above LE due to timing change on payment schedule
Legal charge ins	0.5	0.4	0.5	0.5	On budget
T&E	2.9	1.1	2.4	2.1	Continue to run below plan - good travel discipline
Defend BP	2.0	0.5	2.0	1.5	2016 National Assoc. of Manufacturers and US Chamber of Commerce
Other	(0.2)	0.8	0.7	0.5	Running above plan, admin, subscriptions, etc
<b>Sub-total</b>	<b>8.7</b>	<b>5.3</b>	<b>9.0</b>	<b>8.0</b>	
Alaska (rent and other)	0.2	0.5	0.4	0.6	Running above plan
<b>Total</b>	<b>8.9</b>	<b>5.8</b>	<b>9.4</b>	<b>8.6</b>	



## 2016 BP America Group-Level Risks



**1) Damage to BP's Reputation** – BP America's license to operate and its ability to advocate on issues are at risk should we fail to continue strengthening BP's reputation while also anticipating and addressing new threats to it. Key stakeholders include the media, key legislators, relevant regulators and other opinion leaders in Washington, D.C., and near our assets.

Such threats to BP's reputation include operational/safety incidents, ethical lapses and compliance issues. Although DWH is increasingly less of a drag on reputation, other litigation issues present risk to our public standing. Overall negative sentiment about the oil and gas industry also threatens to drag down BP's reputation. The policy and politics of climate change is dealt with in the separate risk statement regarding US Regulatory policies.

These risks have the potential to undermine not just our public standing and credibility but also investor confidence in the company. And without a solid reputation, BP also risks any number of initially small issues or incidents ballooning into significant problems that affect the bottom line.

SPA: Geoff Morrell. Net Risk: D4. Worst Credible Impact: C

### Redacted - First Amendment

**3) Compliance with the EPA Agreement** – An event occurs that causes the suspension and debarment officer to find that BP has failed to comply with the terms of the Agreement or the ethics monitor determines that BP is out of compliance. This could lead to a re-suspension of BP's US businesses from contracting with the US government.

SPA: John Mingé. Net Risk: D2. Worst Credible Impact: C

## Other significant BPA business risks (not submitted to Group)



**4) Failure to effectively transition Ombudsman Activity** – Following closure of the Office of the Ombudsman (OOM), failure to effectively transition and embed the related activities into BP's E&C organization, resulting in a concern being raised but not effectively or timely addressed. **SPA: Randy Latta, Net Risk E3**

**5) Failure to manage bribery and corruption risks** – The nature of the activity set for BP America staff, particularly Office of the Chairman and C&EA involves significant interaction with Government Officials. Failure to effectively manage the actual or perceived bribery and corruption risks could lead to regulatory enforcement, significant financial penalties and damage to BP's reputation. **SPA: Abdinasir Ali, Net Risk E3**

**6) Risk of loss or unavailability of DWH data** – The potential loss or unavailability of GCRO and third-party data and/or data management infrastructure could significantly affect the ability to support legal and financial needs. **SPA: Mike Mullenix, Net Risk E3**

**7) Failure to improve diversity and inclusion** – An insufficiently diverse and inclusive BP America will lead to business opportunity loss. Lack of inclusive culture lead to low employee engagement and potential retention issues.  
The major area of risk in BPA relates to D&I BP America failure to improve and progress ethnic representation in alignment with external and internal availability; our underpinning people processes including hiring practices, performance management and separation must be meritocratic. **SPA: HR Function – Helena Fyda and Soul Cherradi, Net Risk E5**