

**Risk 1: Damage to BP's reputation**  
**Owner: Mary Streett**

Risk description	<p>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.</p> <p>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 regarding US Regulatory policies.</p> <p>Specific issues that could cause damage to BP's reputation in the US, unless they are properly managed, are BP's integration of BHP assets in L48 and BP campaigns against various ballot initiatives in the November 2018 elections.</p> <p>BP's \$10.5bn acquisition of BHP's unconventional assets in the US increases our risk profile in terms of reputation and financial liability during acquisition completion stage and on an ongoing basis. The reputational risk arises from not fully integrating communications and external affairs for new businesses/acquisitions.</p> <p>Ballot initiatives in the November 2018 elections at state and local level, in particular in Washington, Colorado, Alaska, are poorly designed and specifically target our industry. These initiatives range from restrictions to infrastructure development, permitting to badly designed carbon pricing. BP's and industry's response to these campaigns may damage our reputation because of our position.</p> <p>If BP decides to enter ANWR, strong environmental NGO pushback may hurt our ability to work with them on other policies around the country (e.g. crafting carbon price for WA state) and negatively impact our ability to influence and protect our business in other areas in the US.</p> <p>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.</p>
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**Redacted - First Amendment**

27. Creating new Group-level working group to focus on better managing BP's reputation

**Risk 2: Harmful new US regulatory and tax policies**  
**Owner: Mary Streett**

Risk description	<p>BP's ability to operate and grow US businesses could be threatened by failure to effectively address potential negative impacts of new federal, state and local regulatory and tax policies, notably including:</p> <ul style="list-style-type: none"> <li>• Climate, environmental &amp; safety policies ranging from costly, duplicative and even infeasible; federal and state environmental &amp; safety regulations that can undermine BP's assets and operations; poorly-designed carbon tax or cap &amp; trade legislation; mandates or subsidies that disadvantage BP's products; and other policy initiatives that promote an anti-fossil fuel or "keep it in the ground" agenda, e.g. oil &amp; gas lease restrictions, moratoria, fracking bans, setback requirements, or efforts to delay, obstruct or deny permits for development or operations.</li> <li>• Gap between Group policy positions (IMWG) and actionable US positions limiting our ability to propose 'what we are for' as a basis for policy making and new regulations.</li> <li>• If the incumbent party loses dominant position in the November 2018 elections, Democrats could accelerate policies that would disproportionately disadvantage BP/industry.</li> </ul>
Assessment	<b>Net Risk: C6</b> (2017: D6) <b>Worst Credible risk impact: B5</b>
Controls	<p><b>In place to reduce the likelihood:</b></p> <ol style="list-style-type: none"> <li>1) Regular discussions with BP's US business leaders and regulatory/operational/compliance staff to identify / prioritize key US policy issues and speak with one voice</li> <li>2) Have/maintain bipartisan relationship so that Build relationships with new Members of Congress, state and local officials after the elections</li> <li>3) Gather insights from diverse external stakeholders to anticipate &amp; develop strategies on threats/opportunities</li> <li>4) Leverage internal/external insights for issue briefings &amp; advocacy strategies / engagement plans to influence outcomes</li> <li>5) Advocate with federal, state &amp; local regulatory agencies, legislators and other stakeholders to improve policy outcomes, engage directly as BP and/or with API and other trade associations or coalitions as appropriate</li> <li>6) Coordinate regularly with Group executive team &amp; functional staff to ensure policy alignment on risks such as climate change, including participating in the Issues Management Working Group (IMWG) and other fora</li> </ol>
Contingencies	<p><b>In place to reduce the impact:</b></p> <ol style="list-style-type: none"> <li>1) Advocate specific changes to proposed laws/regulations to mitigate business impacts - work closely with trade associations and advocating directly to key influencers/decision makers to influence policy outcomes</li> <li>2) Inform US businesses on anticipated outcomes allowing business mitigations &amp; updated advocacy/compliance strategies</li> <li>3) Prepare for legal challenges as appropriate</li> </ol>
Monitoring	<p><b>Following actions ongoing:</b></p> <ol style="list-style-type: none"> <li>1) Develop BPA Carbon Pricing Principles, BPA Methane Principles, BPA EV principles</li> </ol>

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**Risk 3: Geopolitical Risk (New Risk)**  
**Owner: Mary Streett**

Risk description	<p>Exposure to a range of political developments and consequent changes to the operating and regulatory environment could cause business disruption.</p> <p>This risk manifests itself in the US as sanctions against countries or entities that BP has business relationship with and as unpredictable trade policies with countries or global/regional trade organizations.</p> <p>Impact on business could be putting investments already made at risk, boosting costs, delaying projects, creating uncertainty about the prospects, increasing financial exposure.</p>
Assessment	<b>Net Risk:</b> Worst Credible risk impact
Controls	<b>In place to reduce the likelihood:</b>
Contingencies	<b>In place to reduce the impact:</b>
Monitoring	<b>Following actions ongoing:</b>