

US Business Leaders meeting

January 21, 2021

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Topics

- Welcome and Review Meeting Objectives D. Lawler
- Ethics & Compliance Moment M. Travis
- Mission, Strategy and Aims Summarized D. Lawler
- Q3 2020 Operating Cash Flow D. Lawler
- Legal Entity of BP America D. Lawler
- BP in the US D. Lawler, J. Collins & K. Fagbayi
- C&A + P&C Overview M. Streett, R. Saenz & M. Crawford
- RC&S Overview D. Lawler, D. Bilbao, & K. Fagbayi
- BP in America D. Lawler

Meeting Objectives

1. Review the mission and responsibilities of BP America (Board and Sub Boards).
2. Propose a new way of working as an integrated, collegial team of US business leaders in order to increase value.
3. Share the strategy and role of RCSS in America.

Ethics & Compliance Moment

Ethics & Compliance Responsibilities of BP Leaders

Every BP leader (whether an FLL, SLL, GL, or people manager at any grade) is accountable for managing ethics and compliance within their part of the organization.

These five ethics and compliance responsibilities for leaders outline how to do this:

1. Lead through Our Values
2. Reward or Address Behaviors
3. Encourage Speak Up
4. Address Concerns
5. Manage Risks & Requirements

2021 Impact?

- 1) Ensure new leaders understand EBC responsibilities
- 2) Equip all leaders to be EBC champions

1 Lead through our values

Reinforce BP's values and regularly communicate their importance to your team. Research in BP shows that when a leader periodically discusses the values, 72% of their team sees the values demonstrated daily; when leaders rarely or never discuss them, this drops to 31%.

2 Reward or address behaviours

Recognize those who demonstrate the values, and promptly take action when someone falls short of them. Few things are more corrosive to a team than a leader who rewards or fails to address the wrong behaviours – both in *what* someone delivers and *how* they do it.

3 Encourage speak up

Regularly encourage your team to speak up about concerns and ideas, and listen objectively when someone does. BP employees identify their manager as one of the most powerful influences on their willingness to speak up.

4 Address concerns

Promptly address concerns raised with you, and report concerns of misconduct to your ethics and compliance helpline ("ECL"). This is often a difficult area for leaders and you should seek guidance when needed from your manager, your ECL, Group EBC, HR, or others.

5 Manage risks and requirements

Help your team understand the main ethics and compliance risks and requirements for your business, and their role in addressing them. Your ECL will often share information about them that you can provide to your team, and should be a trusted resource for you in this area.

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Mission, Strategy and Aims

BP Transition Summarized

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Mission / Purpose

Reimagining energy for people and our planet

- New purpose reflects the need to accelerate the energy transition, address climate change, and respond to consumer and market expectations

Strategy

Integrated Energy Company (3 areas of focus)

- Low carbon electricity and energy: wind, solar, biofuels, hydrogen, carbon capture use and storage (CCUS) and customer gas portfolio
- Convenience and mobility: retail, EV charging, fuels, shared mobility, etc.
- Resilient and focused hydrocarbons: safe & reliable operations in high graded portfolio, competitive production and refining throughput

Aims / Targets

Short-term: 2025 Targets (~5 years)

- Aim 1 - 20% reduction in our operational emissions (scope 1 & 2)
- Aim 2 - 20% reduction in emissions associated with the carbon in our upstream production (scope 3)
- Aim 3 - 5% reduction in the overall carbon intensity of the products we sell
- Aim 4 - measurement at all our major oil and gas processing sites by 2023. We will use that measured data to confirm the baseline for a 50% reduction in intensity
- Aim 5 - increase proportion of investment in low carbon to \$ 3- 4 billion per year, compared to \$500 million spend in 2019
- Aim 6 - stop corporate reputation advertising and redirect resources to active advocacy for progressive climate policies
- Aim 7 - incentivize our employees to deliver on our aims and advocate for net zero by increasing climate element in the annual bonus for leadership and 37,000 employees
- Aim 8 - reframe relationships with trade associations and exit when appropriate
- Aim 9 - become a recognized leader in transparency for our sector, support Task Force on Climate-related Financial Disclosures (TCFD) recommendations and work to implement them
- Aim 10 - create a team dedicated to helping countries, cities and corporations around the world decarbonize (RC&S - secure partnerships with 10-15 large cities)

Mid-term: 2030 Targets (~10 years)

- Aim 1 - reduce emissions in the upstream by 35-40% (scope 1 & 2)
- Aim 3 - reduce the carbon intensity of the products we sell by more than 15%
- Aim 5 - increase the proportion of investment we make into our non-oil and gas businesses: \$17 bn (developing 50 GW of power, 100kbp biofuels, hydrogen at 10% of core markets, production -1 MBOEPD)

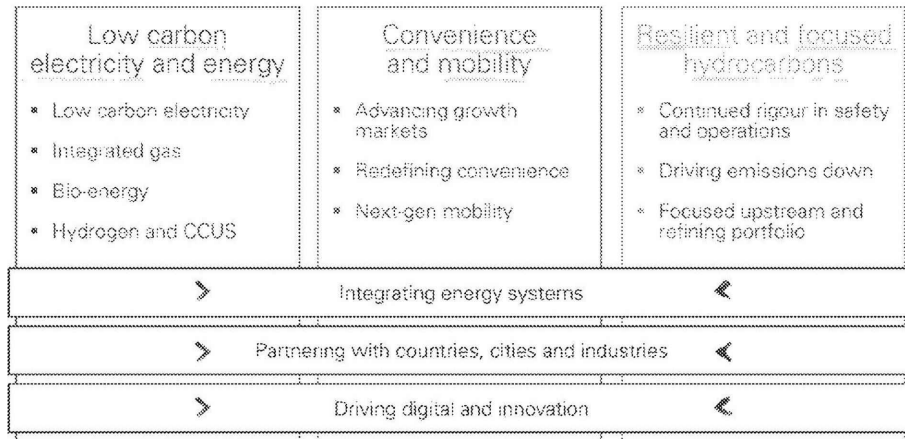
Long-Term: 2050 Targets (~30 years)

- Aim 1 - getting to net zero across our entire operations on an absolute basis by 2050 or sooner (scope 1 & 2)
- Aim 2 - getting to net zero on an absolute basis from our Upstream production by 2050 or sooner (scope 3)
- Aim 3 - 50% reduction in carbon intensity of the products we sell by 2050 or sooner.

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Strategy

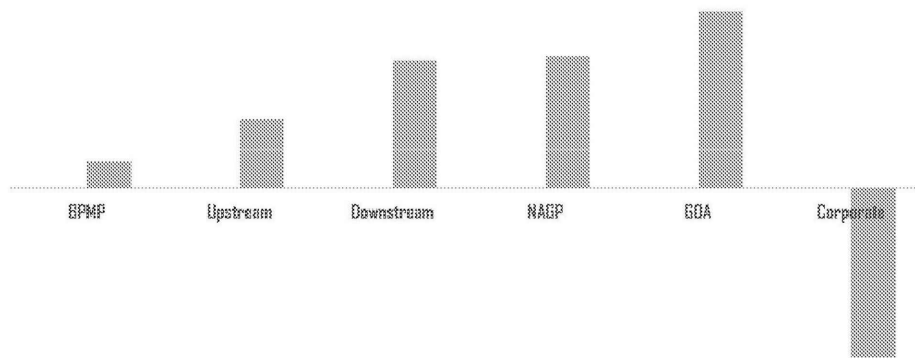


A sustainability frame linking our purpose and Net Zero Ambition

Q3 2020 Operating Cash Flow

Integrating/Leveraging US Business Where Possible to Increase Value

BP in America: Q3 Relative Cash Flow from Operations



Legal Entity of BP America

Legal Entity of BP America

BP America Board meeting structure:

- Expanded board team to 16 members.
- Primary responsibility is to oversee bp's license to operate risk in the US .
- Streamlined content – Operational, ethics, compliance, safety, etc.
- Risk review on key frames: financial, operational, political, people, HSE/Regulatory, I&E (new business), strategy.
- Objective is to ensure sub-boards are fit for purpose.

Legal Entity of BP America

BP America and sub entity boards responsibilities include oversight of:

- US Benefits Committee
- BP Corporation NA Inc. Investment Committee
- BP America Ethics & Compliance Committee
- bp America Diversity & Inclusion Council

bp Foundation administration process is moving to US C&A Team

- The funding of the bp Foundation will continue to come from BP America.
- Budgets for trade associations, community investments moving to C&A.

BP in the US

“BP in the US” going forward...different than BP America Legal Entity

- Business Units maintain autonomous business plans as always
- Business leaders seek synergistic value generation (1+1=3) through a quarterly discussion “forum”
 - Example 1: How can BPX drive value in other US Businesses?
 - Example 2: How a large track of Louisiana forest could become an energy Hub?
- Establishing a clear, visible leader for each major area of operation (Houston, Chicago, Denver, Refineries, Bio Lab, BPLS, etc) –for quarterly All US, All Business Town Halls.
- Crisis response teams (US CST, BSTs that supporting the pandemic -RTNN workstream)
- Safety, ethics and compliance
- Advocacy, reputation and internal and external communications
- Staff management, recruiting and DGI
- IT systems, platforms, work environments and schedules

Example #1: Value from BP Business Integration

Existing value through integration

IST and bpx

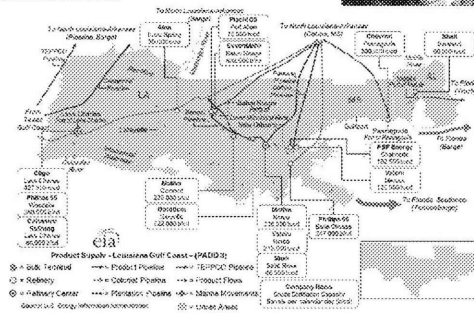
- bpx produces over 300 mboed of advantaged oil, NGLs, and natural gas primarily from the Permian, Eagle Ford, and Haynesville plays of Texas and Louisiana.
- bpx and IST have a service level agreement whereby bpx pays IST a fee to market all of its production.
- IST's industry-leading trading capabilities have resulted in flow assurance for bpx's production along with consistently superior price realizations.
- Having access to physical production also allows IST to pursue additional value through arbitrage opportunities.

Potential future value through integration

bp midstream partners (NYSE: BPMP) and bpx energy

- bpx's >300 mboed of production is gathered, processed, compressed, and transported within the fields by a combination of third party and partly/ wholly-bp owned systems.
- Value of resources can be materially impacted by an inefficiently run gathering business (i.e. Wamsutter). System interruptions can result in significant/extended production deferrals and high cost to return to production.
- The fees bpx pays for these services typically represent the largest percentage of field operating costs.
- bpx's Haynesville system is 100% third-party owned, Eagle Ford is 25% third-party owned, and Permian is 100% bp-owned.
- Estimated build-out cost of Permian three-stream gathering system is \$1.1bn-to-\$1.3bn, ~25% of which has been invested to date.
- Opportunity to unlock value by selling interest to bpmp at public market valuations to: de-capitalize business, fund future build-outs, and for bp to receive increased cash distributions from its ownership of common/incentive distributions in bpmp and a likely higher valuation for them.
- bpx ensures efficient and environmentally friendly operation, and hence protects resource value, by operating on behalf of bpmp.

Conclusions



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Example #2: Louisiana Energy Park -Transmission Lines

Transmission assets:

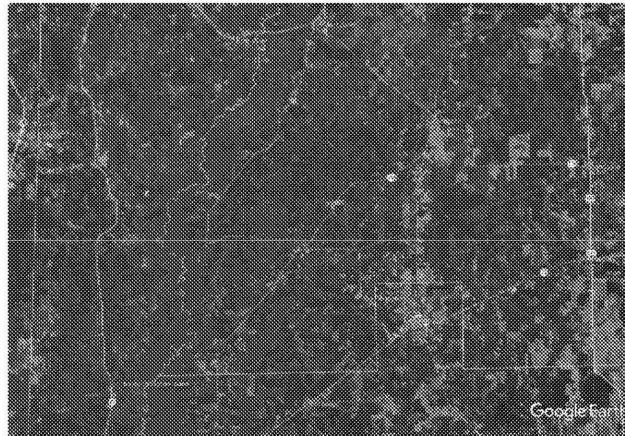
1. Multiple transmission access through out and around the field.
 - a. 35 KV -69 KV (Purple) ties for early wins and connections
 - b. 30-500 KV ties for later and larger development
2. 500 KV (Orange) transmission line 10 miles west of field.
 - a. Entergy line
 - b. Direct connect to main I-10 power corridor
 - c. Tied to existing power plants on I-10
3. 230 KV (Yellow) system 10 miles to the east.
 - a. Entergy line
 - b. Connected with several interconnected transmission substation
 - c. Export power east
 - d. Line goes towards Lake Charles and Main power corridor
4. Cleco Power tie in point 10 miles North of our property



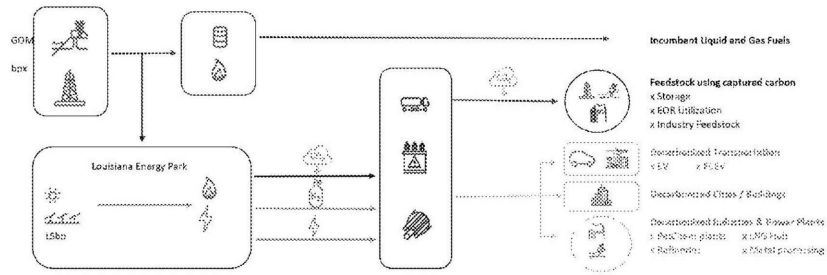
Example #2: Louisiana Energy Park -Gas Export Pipelines

Pipeline assets:

1. Limited pipelines in proximity to property
2. Gas pipeline crossing through the south part of our property
3. Gas access points in the Lake Charles area
4. Opportunity to blend H_2 generated from Energy Park into gas line
5. ROW study needed for dedicated H_2 pipelines



Example #2: Louisiana Energy Park



Energy Park Concept

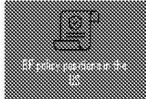
- bp owns ~14k acres of contiguous land in the Lake Charles, Beauregard County, LA
- Lake Charles is home to several large petrochemical and refinery businesses
- LA operates in the Midcontinent Independent System Operator (MISO): mostly regulated. Entergy is the main transmission system moving HV bulk power
- **Opportunity**
 - World class solar farm on property (1MW of power requires ~ 5 acres of land)
 - Note: Iberdrola Grp built 500MW on 2500 acres for \$400 million
 - Solar generated sold to Lake Charles corporates and cities
 - Cleco a utility distro with a tie in point 10 miles North of our property recently announced they want to add 400 MW of solar generated power
 - Excess power put into grid as virtual power for MISO states with GHG Renewable Portfolio Standards (RPS) such as MN, WI and MI that have deep generation decarbonization targets
 - Gas processing plant built to treat and condition gas from GOM and Haynesville (ONG) assets
 - Steam Methane Reformer (SMR) plant built to remove CO₂ and produce blue H₂
 - Removed/captured CO₂ sold to corporates and/or piped to bp GOM or Haynesville operations for EOR or stored
 - Blue H₂ sold to Lake Charles industries and beyond

Communications & Advocacy

The Role of Communications & Advocacy



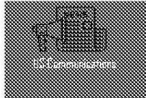
- Advocacy with and relationship management for all government officials and regulatory agencies
- Community engagement
- Trade association management



- Clarify and align US policy positions with SJS
- ENGO and think tank relationships
- Outreach to targeted audiences to advance bp's purpose and aims



- Advocate for bp's global interests in the US (*e.g. sanctions, tariffs*)
- Embassy relationships, international organizations
- Business intelligence

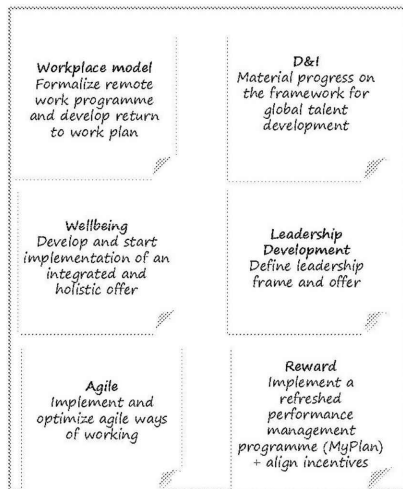


- External communications, media
- Internal communications
- Crisis communications

Redacted - First Amendment

People & Culture

P&C Priorities



US DBI FRAMEWORK FOR ACTION

D&I Training Program on Inclusion, Racial Equity
Pilot January 2021

Prepare Comprehensive D&I Report
Distribute April 2021

Development Program for Underrepresented Ethnic Minorities
Start 1Q 2021

BEYOND THE FRAMEWORK

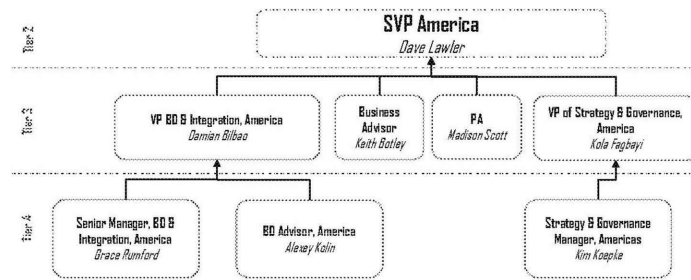
1. Reset global gender ambition & US minority ambition
2. Develop a process for consistent engagement with white males, especially at middle management
3. Embed dBi in people processes at each stage of employee life cycle (e.g., attraction, selection, development, promotion and retention)
4. Refocus and refresh BRGs, including additional validation and support of OTLs
5. Evolve and expand data collection and analysis with self-td project

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RC&S America Organizational Structure

RC&S America Organizational Structure



Note: BP America ESC Lead, Pamela Brothen will have dual role also support bpx

BP in America - Business Development and integration

VP Business Development and Integration Accountabilities

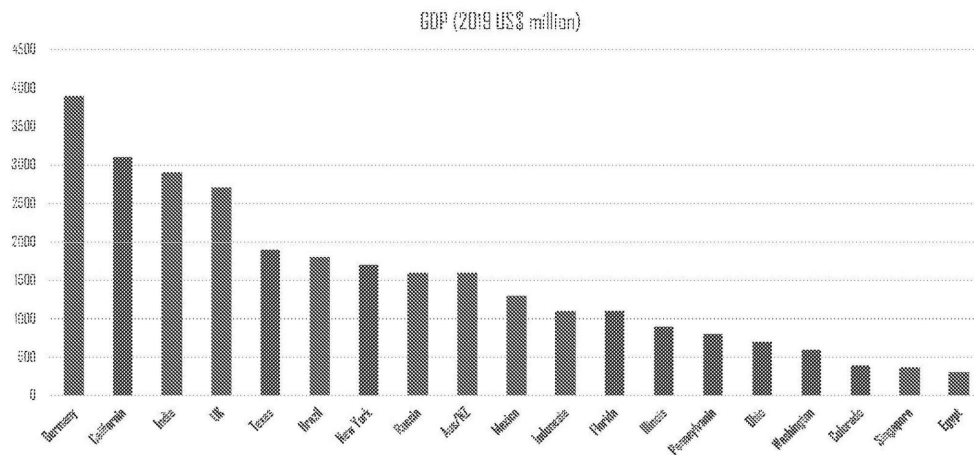
Origination

- Work with Corporate Cities and Integrated Solutions (CCIS) to develop insights into cities, industry sectors, and specific corporates.
- Develop a regional strategy and identify potential high value, scalable opportunities for RCBS and other businesses.
- Establish new relationships with potential for integrated solutions/offers.
- Deliver framework terms for new relationships, for implementation by CCIS or individual businesses.

Integration

- Convene a US Business Development forum for opportunities originated across US businesses.
- Support the SVP America in support of delivering the overall US strategic objectives and managing commercial relationships.
- Act as the link between the in-country businesses/groups and the wider RCBS and CCIS organization.
- Support stronger collaboration and awareness across US businesses and supporting groups.

The USA: 50 separate GDPs and opportunities, with many state as sizeable as priority countries

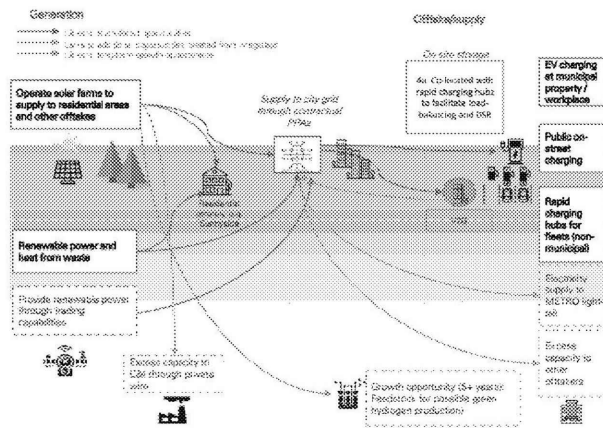


*Excludes China (\$14200) for scale

Current bp capability within focus areas

Priority Opportunity Zone	Natural Climate Solutions	End-user power supply	Renewables	Decarbonization of Mobility	Decarbonization of Infrastructure	Waste to Energy	CCUS	Hydrogen
Northeast Zone	G	R	G	A	R	R	R	++
California Zone	G	R	A	R	R	A	R	++
Texas Zone	G	R	G	R	R	R	A	++
Midwest Zone	G	R	G	A	R	G	A	++

Illustration of Houston Integrated Power Provider Solution (KPMG work product)



BP in America - Strategy and Governance

VP Strategy & Governance Accountabilities

Strategy

- Partner with SGS to coordinate the creation of integrated bp in America strategy focused on core businesses, growth low carbon businesses and the energy transition
- Identify synergy/overlap opportunities for bp in America businesses
- Partner with C&A to understand external opportunities/risks and develop coherent messaging for bp in America strategy
- Facilitate integration of bp in America business, SGS and other low carbon teams to manage environmental risks

Governance

- Partner with the Office of the Company Secretary to coordinate fit for purpose bpA governance (including oversight processes)
- Understand and manage bpA technical and non-technical risks on behalf of the bpA Board
- Work with and support bp Ethics and Compliance committee, bp DBI council, bp Corporation Investment committee, US benefits committees
- Support the delivery of US DBI goals
- Lead the country support team on behalf of the SYP America

Stakeholder/Interface Management

- Facilitate and manage relationships across bp in America
- Act as primary bpA contact with C&A organization
- Partner with C&A to coordinate key external US stakeholders including NGOs

BP US Business and Country Context

Objectives:

- Consolidate existing business plans into "bp US country book" for common understanding and alignment around the most important priorities, as well as prioritization of resources
- Facilitate an integrated/coordinated approach to internal and external stakeholders as "one bp"

Project frame

Project workstreams	Types of questions to be addressed	
Country plan	RCRS	What is bp's footprint in the US?
	C&A	Who are key stakeholders and their ambitions?
	SSS	What are the national and regional policy implications?
Investment and operations	P&O	What is our production/capacity outlook over the next 5 years?
	Wind	What are the key milestones/projects that underpin the outlook?
	Biofuels	What are the key technical and non-technical risks/constraints that could impact our outlook?
	T&S	What is bp's competitive advantage in the trading landscape versus other trading houses?
New Business		What extra value can bp extract from the market place if we are better integrated?
		Where do the market dislocations exist and how can bp enhance its profitability?
	C&P	What is our outlook for the mobility and convenience in the US?
	GRACE	What is our plan for CCUS and H2?
		What is the outlook for low carbon electrification?

Timeline: End 10 2021

Project Sponsor: David Lawler

Project SteerCo: Amber Russell, Nikki Grady-Smith, Alan Haywood, Orlando Alvarez, Mary Streett

Project Team: TBD

US Business Leader Forum

US Business Leader Forum

What are we doing different now?

- Review quarterly integrated performance (meeting follow bpA board meeting)
 - Headline financial metrics (TBD) – “One sense of the truth”
 - Safety and environmental
 - Advocacy and reputation
 - Risks
 - P&G topics such as DGI
- Debate new ideas and business models
 - Example is the NRG Energy story
 - Socialize deals (this will take some work to develop a process)
- Define a BP in America Strategy

Request of Business Leaders

Nominate a contact from your business that will send the following information by Feb 4th:

- Business plan – production/capacity; projected financials, key milestones, competitive outlooks, etc.
- External factors and impacts on your business (current and potential) – e.g. regulations, legislative, political factors, etc.
- Analysis of your business through the lens of the IO Aims (if available)
- Overall set of priorities given SWOT analysis – e.g. what are the biggest factors and focus areas for each business.
- Advocacy plan at Regional, State and Federal levels (who's doing what, where)
- Cohesive CBA objectives and plans to ensure balanced resource allocation

Questions and or Follow up thoughts?