



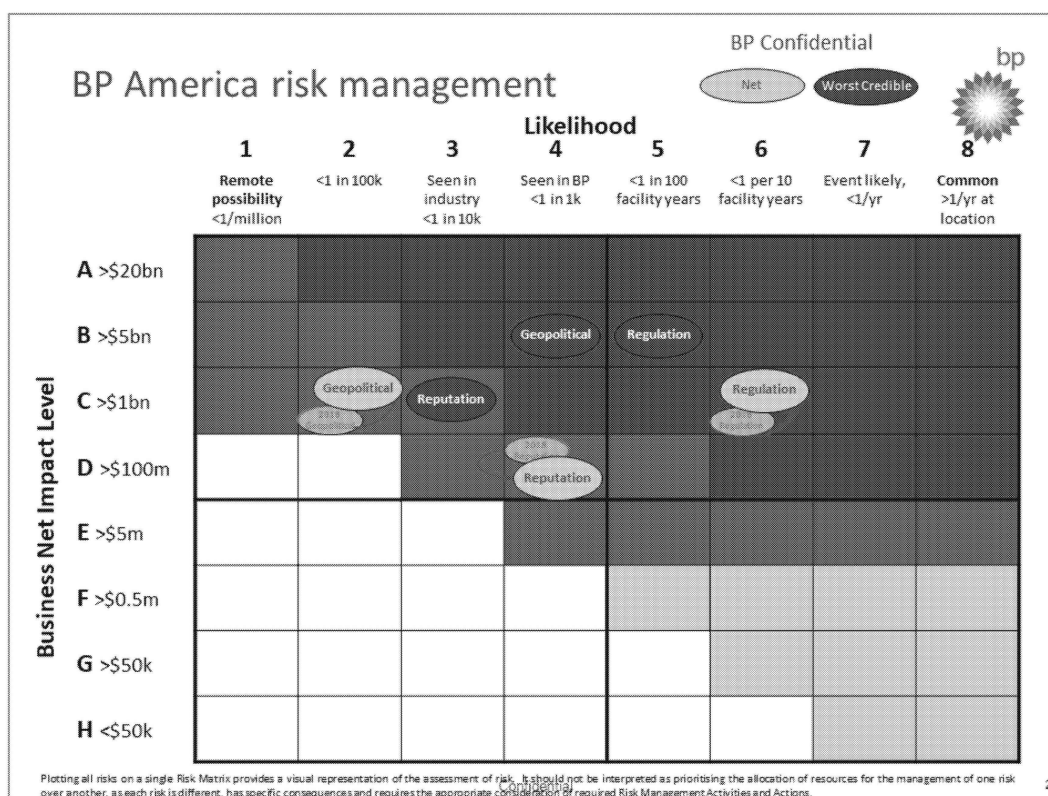
BP America- Group Risks *October 2019*

The board presentations are generally scheduled to last 45 minutes to 1 hour.

- * A preliminary copy of the presentation is due approximately 14 days prior to meeting date.
- * Final pre-read is due 8 days before the meeting.

From time to time the board will ask the presenter to take away items to be reported on during a “follow up” at the next board meeting. The follow up sessions run between 15-30 minutes.

Remember to update the slide footer with preparer’s name and date slides were updated.



2019 Changes: Removed the EPA Net and Worst Credible Risks

Redacted - First Amendment



Risk 1: Damage to BP's reputation (Continued)
Owner: Mary Streett

Assessment	Net Risk: D4 Worst Credible risk impact: C3
Controls	In place to reduce the likelihood: <ol style="list-style-type: none"> 1) Integrated U.S.-wide messaging to underscore commitment to safety 2) New organizational structure set up to address the reputational risks more effectively 3) Strong relationships with federal, state and local govts, national and local media, relevant NGOs, trade associations and visible community involvement 4) Establish C&EA integration plan for BHP assets acquisition
Contingencies	
Monitoring	
	In place to reduce the impact: <ol style="list-style-type: none"> 1) Higher level relationships and partnership with state and local govts / external stakeholders to build increased credibility and trust 2) Robust crisis communications training for C&EA staff to effectively engage external stakeholders during operational incidents, as well as media training for incident commanders 3) Full integration across U.S. C&EA and Group C&EA to ensure stronger connectivity and alignment
	Following actions ongoing: <ol style="list-style-type: none"> 1) Continuous tracking of social and traditional media coverage and polling of key audiences 2) Using objective and milestone tracking (Betterworks) and stakeholder management tools (Quorum) across the org 3) Value at Stake work to identify non-technical risks and opportunities and understand business impact of issues to inform prioritization and resource allocation 4) Monitoring developments at a local level in various states that may impact our businesses 5) Working with Group-led Transition Advocacy Group (TAG) on messaging for BP's reputation 6) Developing a global corporate narrative 7) Group-wide paid advertising campaign

Redacted - First Amendment



Risk 3: Geopolitical 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 relationships 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> <p>In the worst case scenario this risk could have the following impacts:</p> <p>A) Sanctions (Likelihood - Medium):</p> <ol style="list-style-type: none"> 1. Russia: <ol style="list-style-type: none"> a. Stranded investments in Rosneft (BP is 19.75% shareholder) and unable to tap into dividends; b. JVs in Russia shut down; c. Unable to operate internationally (e.g. Shah Deniz, Zohr) d. Unable to renew exemption for Shah Deniz 2. Iran: <ol style="list-style-type: none"> a. Unable to operate Shah Deniz/Southern Gas Corridor <p>B) Trade policies (Likelihood – Medium to High):</p> <ol style="list-style-type: none"> 1. Steel Tariffs: <ol style="list-style-type: none"> a. 25% steel import tariffs with ~\$100m/year impact on BP projects/operations in the US. b. Rejection/delay/reapplication for product-specific exemptions c. Lack of country-specific exemption for Japan (though the US-Japan have agreed principles for trade agreement but details are still sparse) 2. Continued escalation of trade dispute between US and China 3. NAFTA/USMCA agreement (Low-Medium) <ol style="list-style-type: none"> a. Congress may not consider the new USMCA agreement b. US may unilaterally withdraw from NAFTA as negotiating tactic
Assessment	Net Risk: C2 Worst Credible risk impact: B4



Risk 3: Geopolitical Risk (Continued)
Owner: Mary Streett

Assessment	Net Risk: C2 Worst Credible risk impact: B4
Controls	<p>In place to reduce the likelihood:</p> <ul style="list-style-type: none"> - Dedicated team in DC linked with legal and political professionals in BP to monitor and assess existing and emerging issues; <div style="border: 1px dashed black; padding: 5px; text-align: center;"> Redacted - First Amendment </div> <ul style="list-style-type: none"> - Access to consultants with expertise and experience/relationships on specific issues; - Engagement/influence at trade associations to bolster BP's positions; - Range of supporting think tanks with influence in policy-making
Contingencies	<p>In place to reduce the impact:</p> <ul style="list-style-type: none"> - Portfolio assessment and choices; - C&EA support in exclusion application process
Monitoring	<p>Following actions ongoing:</p> <ul style="list-style-type: none"> - Bi-monthly call with LT members in Russia and Azerbaijan; - Regular calls with the Regional Presidents; - Regular dialogue with the diplomatic corps - Regular dialogue with trade associations on trade policy developments and joined-up advocacy