

## Transition Document: Chairman and President of BP America

Transition Date: 30-June 2020

### Introduction:

With the announcement of the new BP organization and forward agenda, the role of Chairman and President, BP America will now be combined into a dual role with the CEO BPX. This combination provides a unique opportunity for alignment of activities across the US while also effectively managing the agility needed for delivery of the BPX business promises

### Accountabilities and Priorities:

The current accountabilities for Chairman and President of BP America are to provide leadership, oversight and risk management as BP's Chief Representative in the US. Accountabilities and organizational construct options range from retention of all current accountabilities to an extremely simplified model where all accountabilities are realigned to the functional heads. Accountabilities are described in 3 key dimensions. In an effort to streamline and focus the role, accountabilities and priorities that are recommended for removal are in *italics*.

#### 1) Progress delivery of Group Strategy

- Set the tone for safety leadership
- Advance the energy transition and the low-carbon agenda
- Execute an efficient and effective corporate governance process including oversight of internal and external risks and obligations

#### 2) Provide Support for Success of US Businesses

- Advance BP's reputation, promoting our contributions to the industry and our commitment to the U.S. economy and the communities where we do business
- Advocate for sensible policy and regulations by engaging with key stakeholders and influencers

*- Drive coherence across the US to identify similarities and best practices to improve competitiveness*

#### 3) Provide Support to Our People

- Cultivate a diverse and respectful workplace that reflects BP's values and expected behaviors
- Create a modern work environment that enables innovation, facilitates collaboration, and attracts and retains top talent*
- Sustain and continue to enhance the ethics & compliance and business integrity programs

Proposed Priorities can also be aligned with the scaled back accountabilities:

Priority 1: Ethics and Compliance – continued focus to ensure there is no degradation

- 1) Set the tone for Ethics and Compliance across the US
- 2) Continue to progress the US Ethics and Compliance Committee
- 3) Track performance data across BP in the US and engage in material breaches to assure consistency, control and appropriate risk management

Priority 2: Support Delivery of the BP Group Agenda in the US

- 1) Support the Advancement of the Energy Transition and Low Carbon Agenda
- 2) Support and deepen key stakeholder relationships

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Priority 3: Progress the BP America Strategic Priorities

- 1) Deliver objectives highlighted in the 2020 BPA Annual Operating Plan
- 2) Progress integrated US business priorities

Priority 4: Provide Oversight and Governance for BP's US Subsidiaries

- 1) Deliver Effective, efficient and productive governance structure and processes
- 2) Provide oversight of US Benefits and Investment Committees
- 3) Manage US Country Support plans and activities

Priority 5: Enhance the BP Employee Experience in the US

- 1) Deliver the BP America People Plans (D&I, Pulse Response, V&B learnings)
- 2) Continue to progress the Westlake 1 Workplace Modernization Project as planned
- 3) Improve employee morale and behavior using learnings from V&B sessions and pulse survey

### Organizational Construct Options:

Current organizational construct includes a direct reporting team of 7, including a PA with the following accountabilities:

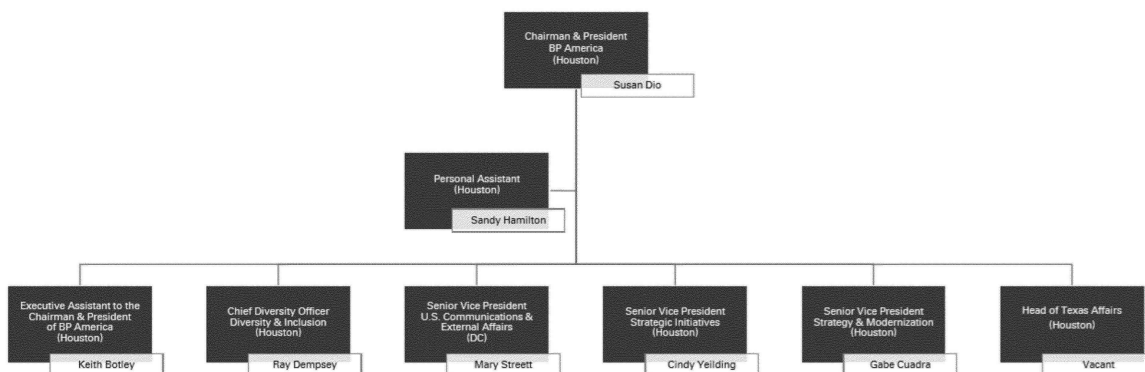
- 1) Communications & External Affairs US C&EA plays a critical role in repositioning BP America to be a proactive advocate. Mary Streett has reconfigured the team to support the new Head of Texas role, while also recognizing the need for a “corporate affairs” team that can support issues that

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- 2) Diversity & Inclusion : The Diversity and Inclusion team is committed to creating a workplace where individuals with different backgrounds, ethnicities, religions, ideas, thoughts and approaches can thrive. We strive for BP in the U.S. to be an employer of choice in every city where we do business. With that in mind, the D&I team has been expanded to include Ethics & Compliance, broadening the employee experience scope of the team's work. D&I now sits on the BP America benefits committee and the Ethics and Compliance committee while also managing the BP Foundation, our supplier diversity program and national strategic relationships and initiatives, focusing on STEM education and veteran outreach.
- 3) Strategic Initiatives This role serves as a key liaison with our U.S. businesses, playing an active role with U.S. business leaders in their work advancing the energy transition. The Strategic Initiatives SVP will also be a key link with BPA to support business and customer needs. Immediately, the position will be focused on delivering the National Petroleum Council study on carbon capture, use and storage.
- 4) Strategy & Modernization The Strategy and Modernization team will oversee country crisis response and risk management. In addition, as we consider the role that our workspace plays in our employee experience, this team will oversee the ongoing building modernization efforts in Houston and across the U.S. As these efforts are underway, the team will align with U.S. University Relations and Talent Acquisition.

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- 6) Executive Assistant This role continues to be the main liaison with my office.



Retaining this construct with the combined accountabilities with CEO of BPX is not recommended. Two different options that both provide simplification for the newly defined role are explored below.

Option 1: Move accountabilities to functional heads – Radical Simplification. This construct removes all direct reports with the exception of a Chief of Staff for BPA

- US Communications and external affairs will report directly to Geoff Morrell
- BPX C&EA resources will remain hard wired into BPX
- Diversity and Inclusion will report directly to HR
- Strategy and Modernisation will focus on workplace in the US, and will report into Oli Beavon
- Current facilities management at Westlake would move reporting lines to another Westlake Executive. (recommend Starlee Sykes)
- Remove Strategic Initiatives, and move any low carbon work into new business accountable for development of low carbon options
- Texas Affairs team will continue to report into C&EA, but will sunset as a role on the BPA LT. Brett Clanton to take more active role on external committees (Greater Houston Partnership, World Petroleum Congress,
- Sunset Houston based PA.

Pros: Simplicity makes the dual hatting easier and allows maximum focus on BPX business delivery. BPA President role becomes one more of governance. President of BPA will still have accountability to appoint benefits plan administrators.

Cons: Missing the opportunity to gain closer alignment between BPX and BP Group – specifically around policy and external affairs. Without an overarching view on Ethics, Compliance and Business Integrity there must be some mechanism in place to ensure the progress made over the past decade is sustained across the US. May de-emphasize the workplace modernization agenda.

Option 2 (Recommended): Removes 4 direct reports, leaving President BPA three direct reports.

- C&EA will retain reporting line to President BPA, and BPX C&EA resources will then hard wire into this organisation.
- Diversity and Inclusion role will be further deepened to include more leadership in the areas of
  - US Benefits Committee
  - US Investment Committee
  - Ethics and Compliance – recommend that BPX ECC reports into this role
- Strategic Initiatives work will transfer into new business lines
- Strategy and Modernisation will focus on workplace in the US and will report into Oli Beavon.
- Current facilities management at Westlake would move reporting lines to another Westlake executive.
- Texas Affairs team will continue to report into C&EA, but will sunset as a role on the BPA LT.
- Sunset Houston based PA

- Upgrade EA to Chief of Staff, and include Country Support plan accountabilities with risk management and governance support.

Pros: Retains oversight of C&EA in the US, and provides opportunity to align BPX and BP Group resources in this area for aligned and optimized activities. Provides a one stop shop for E&C, culture, and employee experience and gives oversight to US agenda in this area for maintenance and consistency. Provides additional resource and capability for President BPA in case of unplanned events. Provides the President BPA visibility and participation in the US political agenda.

Cons: May de-emphasize the workplace modernization agenda and overlook opportunities for further efficiencies (such as BPX building options in Houston). May create challenge in continuing to align C&EA with Advocacy agenda at the Group level (current construct has this challenge)

Additional division of responsibilities in recommended organisational construct:

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