

BP Confidential



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Upstream communication campaign
framework:

Gas and methane

2 March 2018

BPA_HCOR_00306762

2018 C&EA campaign framework



Overarching BP campaign

Theme 1: Advancing the energy transition (low carbon strategy)

The transition to a lower-carbon economy is the challenge of our time and BP is taking action:

- **Reducing** emissions in our operations
- **Improving** our products
- **Creating** low carbon businesses

Theme 2: Resilience & competitive growth (business strategy)

BP is building a strong track record of delivering on our plans and growing across our businesses:

- Growing gas and advantaged oil in the Upstream
- Market-led growth in the Downstream
- Venturing and low carbon across multiple fronts
- Modernizing the whole firm
- Safety and operational excellence

Policy campaigns

Upstream messages: Gas & methane

- Advantages of gas over coal – cleaner burning, complements renewables, transition *and* a destination fuel
- But methane must be tackled industry-wide
- BP is growing in gas and taking a lead on methane

Downstream messages: Future of mobility

- Electric vehicles are rapidly growing but will not have a major impact on oil demand or carbon emissions by 2040
- Policy needs to support the entire mobility ecosystem – from technology to infrastructure to consumer behaviour
- With advanced fuels and lubricants, new partnerships and ventures, and a retail offer that meets evolving consumer preferences – BP is helping to advance the mobility revolution

The challenge



In the public arena, there is ongoing commentary that aims to **discredit gas as part of the future energy mix** in three ways

1

Gas might be lower carbon than coal but it's still a fossil fuel.

2

We don't need gas, we should switch to an all-renewable future right now.

3

Gas doesn't support climate goals when you take methane emissions into account.

"Gas might be lower carbon than coal but it's still a fossil fuel."

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Goldman
Sachs

Because natural gas is less carbon intensive than coal, it could serve as a near-term bridge as we scale-up other clean energy sources and transition to a low-carbon future; however, if the objective is to meet the emission reduction targets, **natural gas is not a likely long-term solution.**

The New York Times

World Bank to cease financing upstream oil and gas after 2019.

The World Bank will no longer finance upstream oil and gas projects after 2019, apart from certain gas projects in the poorest countries in exceptional circumstances.

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FINANCIAL
TIMES

Natural Gas Golden Age Turns To Bubble.

Gas was supposed to be the irresistible fuel of the future... Safe, reliable fuel and it was cleaner than coal. Where gas can compete it will play a significant role in the energy mix. But prices and margins will not be high. Those who dreamed of ever-rising volumes and prices will be disappointed.

"We don't need gas; we should switch to an all-renewable future right now."

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**A world powered by
renewable energy**

**Goldman
Sachs**

**FACILITATING THE TRANSITION
TO A LOW-CARBON FUTURE**
\$150BN
Expanded clean energy targets by 2025

**Clean Energy: The
Future is Here**

By 2030, renewables
will account for half
of the world's energy
mix

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FINANCIAL
TIMES

**The Big Green Bang:
how renewable energy
became unstoppable**

Stanford

**Roadmaps for an
All-Renewable Energy World**

The New York Times

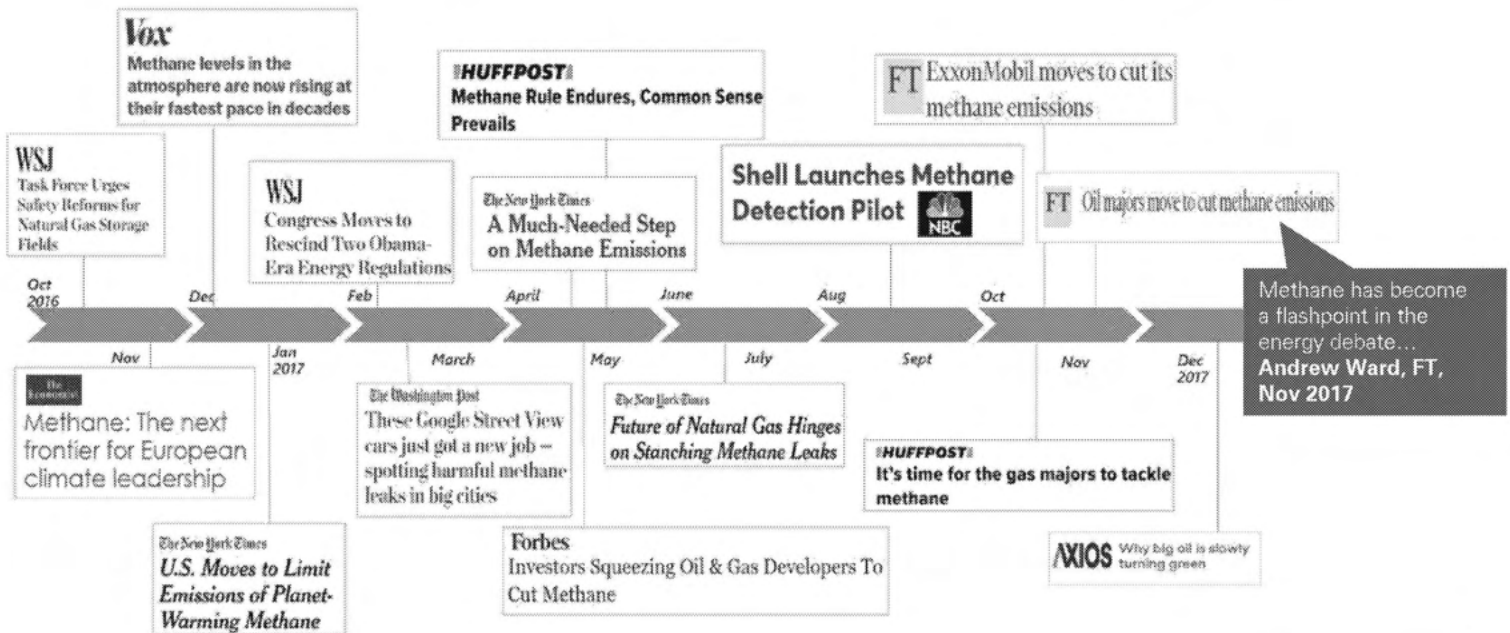
**A renewable
energy boom**

**The
Economist**

Africa might leapfrog
straight to cheap
renewable electricity
and minigrids

"Gas doesn't support climate goals when you take methane emissions into account."

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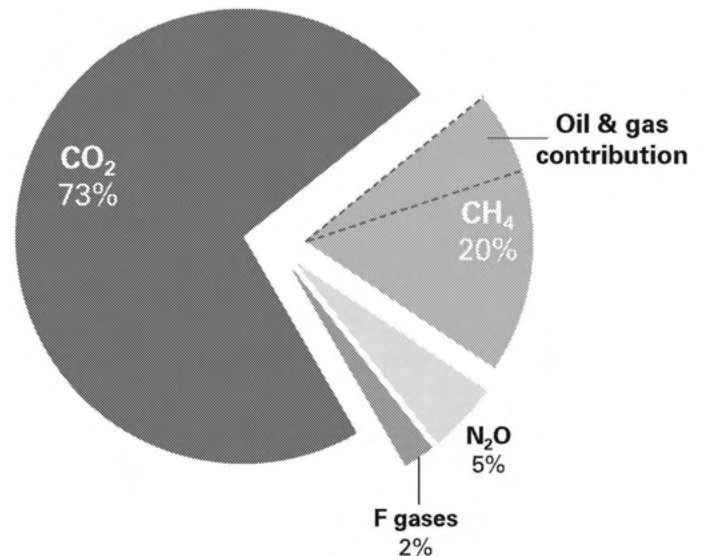
Why methane matters

- Methane (CH_4) accounts for 20% of GHGs
- Oil and gas accounts for nearly a quarter of this 20%
- Methane is more potent than CO_2 because it is more effective at trapping heat
- It only lasts in the atmosphere for 10 years before being broken down so its impact is short lived, therefore any reduction in the rate of emissions has an immediate effect
- But.... there is incomplete understanding of how methane behaves in the atmosphere



"A mystery about global methane trends just got more muddled... High degrees of uncertainties remain and future work is required to reduce those uncertainties." (2017)

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Anthropogenic GHG Emissions
by Gas (2010)



Current methane initiatives – industry participation **DRAFT**

Initiative	Summary of initiative
Oil & Gas Climate Initiative (OGCI)	2017 announcement to move towards 'near zero' methane emissions.
Reducing methane emissions across the natural gas value chain	Launched November 2017. The Guiding Principles are to reduce methane emissions; improve accuracy of methane emissions data; advocate sound policies and regulations on methane emissions; and increase transparency.
World Bank "Zero routine flaring by 2030"	Launched April 2015. Multi-stakeholder initiative to eliminate routine flaring from oil production.
Global Gas Flaring Reduction Partnership	Launched 2002. Aimed at increase use of natural gas associated with oil production by reducing flaring.
Climate and Clean Air Coalition (CCAC) O&G Methane Partnership	Launched September 2014. Aim is for oil and gas companies to identify and reduce methane emissions cost effectively.
API Environmental Partnership	Launched December 2017. Environmental partnership to accelerate reductions in methane.

					
Member	Member	Member	Member	Not joined	Not joined
Signatory	Signatory	Signatory	Signatory	Signatory	Have not signed
Endorsed	Endorsed	Endorsed	Endorsed	Not endorsed	Not endorsed
Member	Member	Member	Member	Member	Member
Joined	Joined	Joined	Joined	Not joined	Not joined
Signatory	Signatory	Signatory	Signatory	Signatory	Signatory

The opportunity for BP

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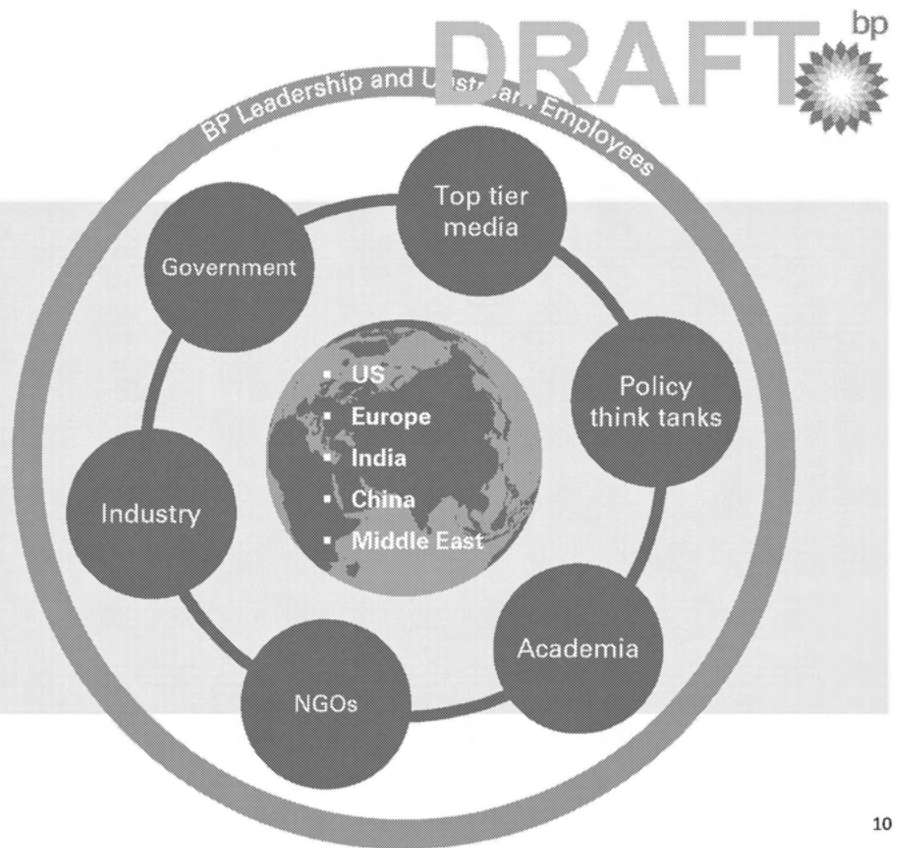
Launch a communications campaign to:

- **Explain the benefits of gas as a transition *and* destination fuel** – lower carbon; partner to renewables; vital to meet Paris goals
- **Address the weakness of gas** – demonstrating leadership on methane challenge
- **Position BP as strong gas player** – key part of BP's low carbon strategy

Advance and protect the role of gas – and BP – in the energy transition

Target audiences

- Target opinion leaders
- Focus on key geographies that matter to our business
- Set context for successful local policy dialogue



Campaign strategy

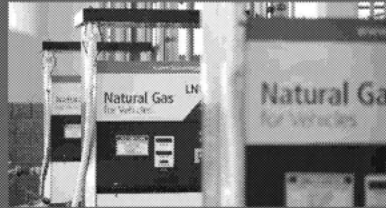
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Respond to those discrediting gas in three distinct ways:

Educate
on role of gas in
meeting Paris goals



Harness excitement
around renewables by
positioning gas as the
perfect partner



Demonstrate leadership
in understanding and
tackling methane



Golden ticket
for changing
perceptions

Underpin with BP's own gas story

Core messages

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The world is demanding more energy to fuel its rapid growth but also calling for fewer emissions – in BP we will help meet that dual challenge

Gas has a crucial role to play

- Abundant, affordable and half the carbon intensity of coal when burned for power generation
- A safe, clean, reliable partner to renewables [better than a coal-renewables partnership]
- A resilient, flexible fuel to power clean, low carbon mobility
- Vital to meeting the Paris climate goals

A bigger role for gas means there is a need to understand and tackle the challenge of methane emissions – BP wants to play a leading role

- More potent than carbon; a rapid and effective way to mitigate global warming
- BP is working with partners to contribute new data to aid the world's understanding of methane and the ability to act
- BP is actively reducing methane emissions in its own operations

BP is growing in gas

- Deep experience of gas exploration and production - greatest projected growth in gas production of all super majors
- Developing some of the world's biggest gas resources including L48 (US), Khazzan (Oman) and Shah Deniz 2 (AGT)
- Advantaged positions in global gas trading and supply

Bringing the campaign to life

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How we'll engage

Join the ongoing conversation

Find common ground on commitment to low carbon future

Demonstrate credibility by showing understanding of pros and cons of gas

Build trust by:

- Working in partnership
- Acknowledging what we don't know
- "Learning out loud"

What we'll do

Create content to drive campaign

+

Proactively engage stakeholders

+

Show action in the business

+

Provide a drumbeat of news

Campaign activity – summary

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Create content to drive campaign

1. Publish independent data on methane with Princeton (science cycle) and tech partner (monitoring)
2. Create agenda-setting content:
 - White paper on gas as partner to renewables
 - Make the movie on methane
 - Deep-dive features on methane management

Proactively engage stakeholders

1. Host global stakeholder events
2. Develop open innovation challenge
3. Deploy senior leaders to tell the gas story
4. Instil culture of methane leadership across Upstream
5. Establish network of methane ambassadors

Show action in the business

1. Elevate key actions from Upstream Methane Leadership Plan
 - Share publicly what is happening in the business from targets to reporting methodologies and standards

Provide a drumbeat of news

1. Use hero projects as live proof points on the case for gas
2. Build bank of stories to support the campaign
3. Feature credible external voices on BP platforms
4. Leverage BP set pieces e.g. Tech Outlook

Create content to drive campaign

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1. Publish new independent data on methane challenge

Science partner



**PRINCETON
UNIVERSITY**

Global research view: Science cycle of methane

- Explain scope and purpose of new research, then findings as they emerge in 2019
- Basis for stakeholder engagement (see slide 14)
- Package as digital/media content



Monitoring partner

Tech partner TBC
in conversation with
Morag Watson...

Operational view: Satellite/hyperspectral monitoring

- Promote findings from pilots on high tech methane monitoring and quantification
- Share with industry to enhance wider knowledgebase
- Package as digital/media content

Create content to drive campaign

2. Generate agenda-setting content

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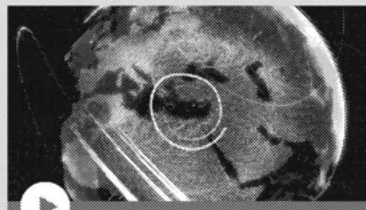
White paper on gas
as partner to renewables

Publish BP-funded
Imperial College research on
intermittency and integration
costs, highlighting role of gas
as a friend to renewables.

**Imperial College
London**

Make the movie
on methane

Short film explaining the
methane challenge
to reinforce leadership
on the issue; springboard
for setting out BP's
ambition and approach.



Deep-dive features
on methane management

Tell success stories
and highlight learning in
face of complex challenges

- Reducing flaring – Angola
- New technologies – Oman
- Mapping and tackling the
challenge – Lower 48



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1. Host global stakeholder events

Expert roundtables



- In partnership with Princeton
- Build relationships with ~100 experts and influencers globally: academia/energy specialists/public policy/NGOs/media
- Explain scope of Princeton research and what BP is doing to grow in gas and understand and tackle methane

Keynote speech



- Exec speech at Princeton or Washington
- Publish insights from roundtable series
- Announce plans for BP's future action e.g. deployment of methane reducing technologies
- Amplify with external comms, e.g. op-ed

April	June	Sept	Autumn / Winter
London	Washington DC	Middle East/ Asia	US

2. Develop open innovation challenge

- Work with Upstream and Group Technology to identify a relevant methane issue on which to open source ideas e.g. how methane is broken down
- Partner with digital crowdsourcing firm to offer grants to academics, entrepreneurs, NGOs, young engineers to pursue their idea/project
- Judged by BP Science & Engineering Council (chaired by Angela Strank)
- Amplify with media partner

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Example of open innovation to build messaging and reputation

GE Ecomagination Challenge

- Launched open competition for entrepreneurs to revamp US's aging power grid
- Received 4000 entries - 150 countries



Proactively engage stakeholders

3. Deploy senior leaders to tell the gas story

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Bob Dudley

- CERAWeek
- World Gas Conference
- Oil & Money



Lamar McKay

- CERAWeek
- ADIPEC



Spencer Dale

- Energy Outlook
- BRITCHAM International Energy Seminar



Bernard Looney

- World Gas Conference
- Chatham House
- UNGA side event
- DC think tank event

David Eyton/Ahmed Hashmi

- Technology Outlook
- Economist Energy Summit



Brian Gilvary

- Bloomberg New Energy Finance Summit
- FT Energy Transition Summit



Amplify executive appearances with wider comms activity:

- Op eds, print and broadcast media interviews
- Facebook live/LinkedIn Q&As
- Third party endorsements

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in

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4. Instil a culture of methane leadership across Upstream

Briefing programme for leadership

- Develop deep-dive briefing pack to ensure leadership is fluent on methane challenge
- Workshops for Group Leaders to prepare them to engage with a wide range of stakeholders



Embedding across Upstream

- Promote culture of methane leadership across Upstream
- High profile recognition e.g. via Helios
- Internal events with external speakers
- Articles on BP channels: One BP, Upstream intranet, Yammer



Proactively engage stakeholders

5. Establish network of methane ambassadors



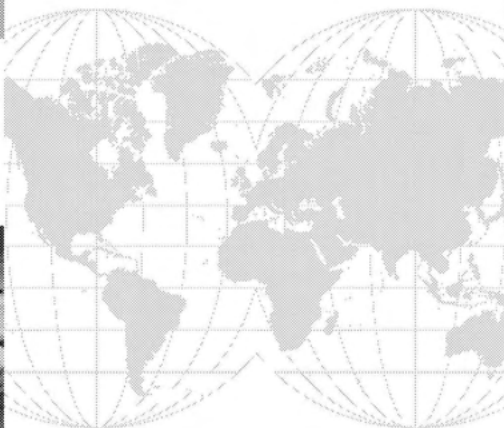
Internal ambassadors

Use a team of senior experts and/or young leaders to communicate internally – showcasing the spirit of enterprise and ingenuity.



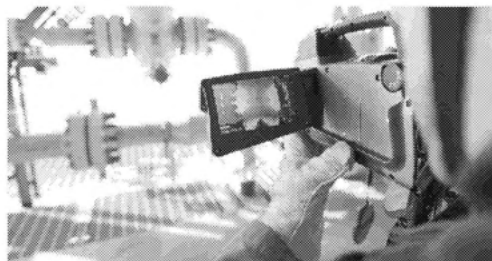
External advocates

Leverage as ambassadors for external communications – illustrating BP's leadership in the face of the challenge.

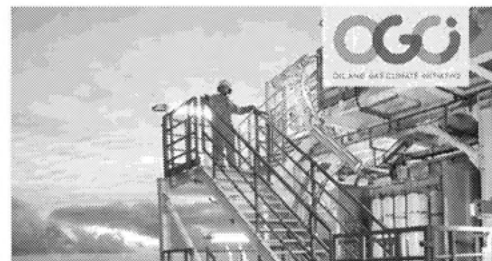


1. Elevate key Upstream Methane Leadership Plan actions

BP operational emissions	Industry	Science & Technology
▪ Deliver RSRs of 3 Mte (gross) from Upstream by 2025 ▪ Eliminate routine flaring by 2030 ▪ Commit to maintaining methane intensity at or below <i>0.2% (TBC)</i> based on the current metric and disclose our progress against this	▪ Develop <i>Methane Saving Rules</i>, and support industry adoption across the gas value chain. ▪ Develop and implement a multi-year plan detailing how Upstream will demonstrate leadership in tackling the methane challenge	▪ Implement cost-effective continuous methane monitoring and measurement at our sites. ▪ Ensure strong BP voice in all partner activity on methane e.g. OGCI, CCAC, IPIECA, IOGP



Indicative elements – TBC as plan is agreed



Provide a drumbeat of news

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1. Highlight hero projects as live proof points

Southern Gas Corridor

Media engagement opportunities:

Data on switch from coal

Show how SGC gas is helping Europe/specific EU countries shift from coal

Delivering on Europe's climate goals – based on lower carbon fuel mix and drawing on modelling by Oxford University



Lower 48

Media/stakeholder trip:

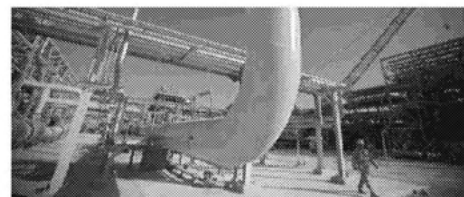
Demonstrate how BP is understanding and tackling the methane challenge in one of its biggest onshore operations.



Khazzan Phase 1, Oman

Media/stakeholder trip:

Showcase state of the art methane management in action – a facility built with methane in mind.



Provide a drumbeat of news



2. Build bank of stories to support all aspects of the campaign

Gas and the global economy

IST-led piece on changing world of global gas markets

High efficiency gas burning stoves

Target Neutral-led piece on how gas is bringing energy to developing markets

Example stories

LNG driving growth of global gas market

How the LNG explosion is driving global gas trading

Embracing digital to change the game on methane monitoring

IT&S/Group Tech-led piece on new techniques to monitor and quantify emissions

Target stories to different journalists:

1. Energy
2. Environment
3. Science & Technology
4. Transport
5. Foreign correspondants in target geographies

Use as basis for:

- One-on-one journalist briefings
- Journalist roundtables
- Content on BP channels

Provide a drumbeat of news

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3. Feature external voices on BP platforms

Increase visibility and credibility of BP through a series of thought-pieces from high profile, respected voices

Gas - partner to renewables



Goren Strbac,
Professor of Energy
Systems, Imperial College
London

Tackling methane



Stephen Pacala,
Professor, Princeton
Environmental Institute

The role of CCUS in gas growth



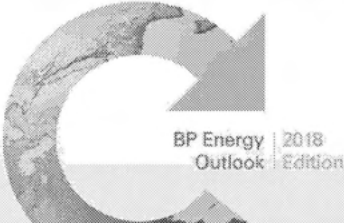
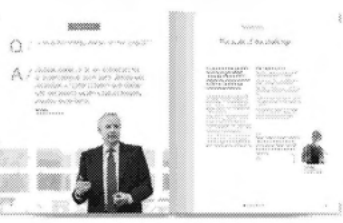
Steven Hazeldine
Professor of Geosciences,
Edinburgh University

Provide a drumbeat of news

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4. Leverage BP set pieces

Re-package gas insights as stand alone content
for BP channels, media and engagement

February	March	April	June
 BP Energy Outlook 2018 Edition	 BP Technology Outlook	 Sustainability Report	 BP Statistical Review of World Energy June 2017

Looking ahead – opportunities into 2019/2020 **DRAFT** ^{bp}

Cross-sector methane summit

Host a global summit reaching beyond oil and gas – convening across sectors on the methane challenge e.g. agriculture, construction. Work with media partner to extend reach.



Centre of excellence on methane

Establish a new research centre / project with partner – responding to an opportunity from 2018 programme.



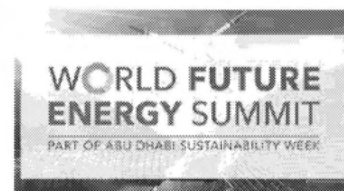
Internal challenge

Establish an employee challenge – internal prize for helping to crack the methane challenge.



Sponsorship of World Future Energy Summit

Increase BP visibility on gas by sponsoring a key global platform.



Budget – initial 12 months

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	Indicative cost
Content creation (white papers, methane film and publishing new research)	\$180,000
Stakeholder roundtables (3-4 events in UK, US, Asia)	\$85,000
Open innovation challenge crowd sourcing partner and digital marketing	\$250,000
Media/stakeholder trips x 2 (dependent on location and number of participants)	\$78,000
External experts on BP platforms – 3 short films (minimal cost if just written word not film)	\$50,000
Internal network of employee ambassadors implementation	\$45,000
Benchmarking reputation research in UK, US and China	\$100,000
Consultancy support – strategic development and content creation (Brunswick)	\$350,000
<i>Indicative total for first 12 months</i>	<i>\$1,138,000</i>

Measuring success

