




Our approach: foundations and embedding sustainability

Supplier expectations

We want to work with suppliers who strive for sustainability in their supply chains. We try to develop and strengthen relationships with suppliers who are committed to and act in accordance with our code of conduct.

 Read more about sustainable purchasing on [page 51](#).

 Read more: bp.com/supplierexpectations

Influencing non-operated joint ventures

We have processes for managing our interests in non-operated joint ventures (NOJV), including ways to encourage sustainability. One example is our eight essentials framework – a system that guides our NOJV portfolio managers in their relationships with NOJVs. The eight essentials framework is accessible through a dedicated centre of expertise.

In 2022 our engagement on sustainability frame issues with NOJVs focused on net zero operations, methane emissions, biodiversity and human rights, using a variety of approaches including seminars, board resolutions and support for target setting. We believe these activities can help us to become more robust and consistent in our efforts to influence NOJVs on sustainability issues.


Identifying and managing risk

bp manages, monitors and reports on principal risks and uncertainties identified as having the potential to impact our ability to deliver our strategy. Management, the leadership team, the board and relevant committees provide regular oversight of how principal risks to bp are identified, assessed and managed. In 2022 risks discussed included climate change and the transition to a lower carbon economy, strategic and commercial risks such as financial liquidity, prices and markets, safety and operational risk including process safety, personal safety and environmental risks, compliance and control risks such as ethical misconduct and changes in law and regulation.

bp's holistic system of internal control includes policies, processes, management systems, organizational structures, culture and standards of conduct employed to manage our business and associated risks.

The group operations risk committee provides oversight of safety and operational risk management for the group, including risks relating to sustainability. Our operating businesses identify and manage risk, using our OMS. We also monitor how risk is managed in NOJVs.

We are continuing to integrate sustainability risks into our risk management processes; building on both the labour rights and modern slavery risk assessments that are already in place and our work on climate-related risks.

 Read more about how we manage risk on [pages 69-75 of the bp Annual Report 2022](#).

Managing climate-related risk

The bp leadership team and board review the group's principal risks and uncertainties annually. Climate change and the transition to a lower carbon economy has been identified as a principal risk, covering various aspects of how risks associated with the energy transition could manifest. Physical climate-related risks such as extreme weather are covered in our principal risks related to safety and operations.

Climate-related transition risks and opportunities

At a group level, we have identified three broad, material climate-related transition risks and opportunities:


- The value of our hydrocarbon business could be impacted by climate change and the energy transition.
- Our ability to grow or deliver expected returns from our transition growth engines could be impacted by the energy transition.
- Our ability to implement our strategy could be impacted by evolving attitudes towards the energy sector and climate change and the energy transition.

Climate-related physical risks

The physical risks identified across bp primarily relate to severe weather and often represent potential for increased drivers for safety and operational risks to our operations.

We have identified the potential for changes in the availability of freshwater, including as a result of climate change, as a risk to some of our operations. We recognize that we could also face other forms of physical climate-related risk over the longer term, for example associated with changes in sea level rise, extreme temperatures and flooding, which could impact our operations.

 Read more: bp.com/TCFD

 Read more on [pages 50-62 of the bp Annual Report 2022](#).