



# SRI Presentation Safety & Operational Risk

Mark R Bly  
Executive Vice President, Safety & Operational Risk

# Cautionary Statement



This presentation and the associated slides and discussion contain certain forward-looking statements concerning the businesses, operations and strategy of BP. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements depending on a variety of factors, including changes in regulatory standards and operational requirements; the availability of personnel and other resources; the successful engagement with BP's external stakeholders, including industry-wide bodies and contractors; the requirements of BP's existing contractual and legal obligations; the timing and successful implementation of Bly Report governance, including BP's centralised wells organisation and the Safety & Operational Risk Organisation; the timing and successful implementation of the Bly Report recommendations; and other factors discussed elsewhere in this presentation, the associated slides or under "Risk factors" in our Annual Report and Form 20-F 2010 as filed with the US Securities and Exchange Commission (SEC).

# Building a safer, stronger BP



**BP's S&OR Focus**

**Safety and Operational Risk (S&OR) organization**

**Progress to date**

**Next steps**

# BP's S&OR focus areas

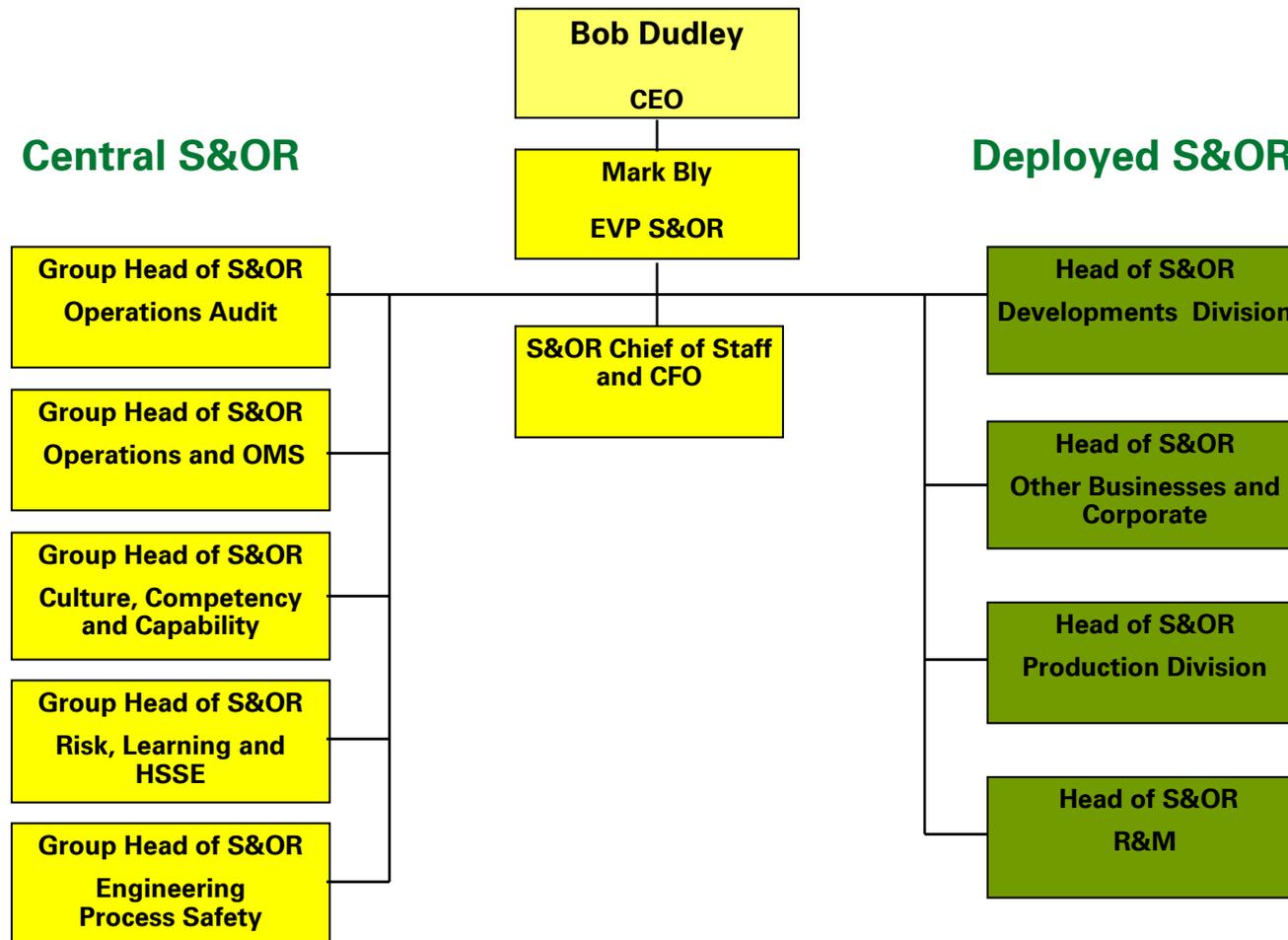


- **Fully embed Deepwater Horizon specific lessons in BP's Wells organization:**
  - Bly report recommendations and Wells framework used to reducing drilling risk
- **Operational risk management**
  - Tone and expectations
  - Formal reviews and governance
- **Retain and deepen significant ongoing initiatives:**
  - OMS embedment
  - Safety auditing
  - Capability and safety culture
  - Leading/lagging metrics
- **Significantly strengthen independent checks and balances**
  - Embed S&OR organization, assurance processes & authorities

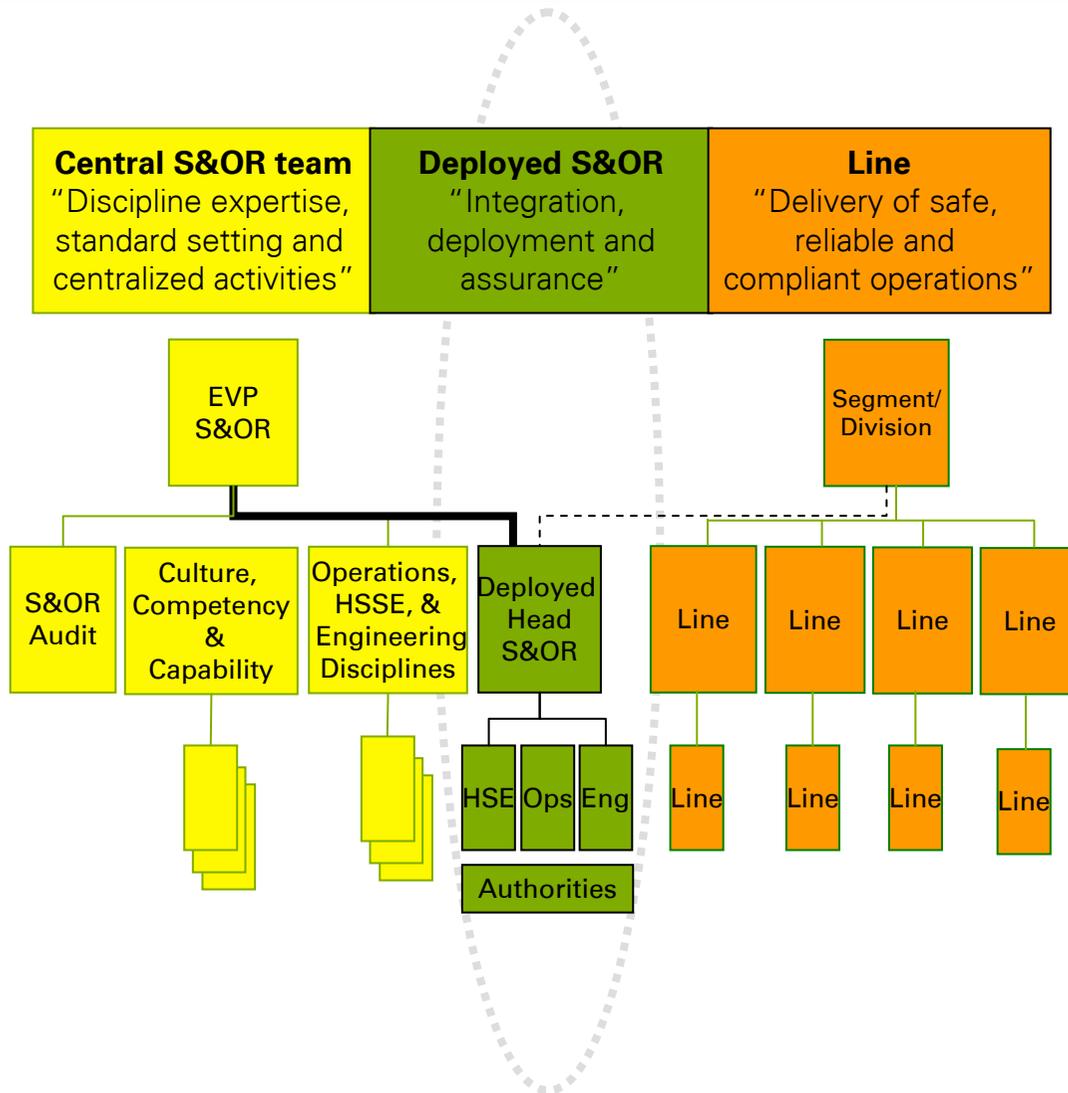
# S&OR Leadership Team



A highly qualified and experienced team of specialists representing a mix of internal and external heritage



# What's different? S&OR organization design



- **Strengthened central teams**

- Requirements (OMS, GDP, ETPs)
- Expanded audit function
- Crisis management
- Risk
- Investigations & learning
- Culture, Competency & Capability

- **New deployed S&OR teams**

- Engineering, Operations & HSSE authorities work with the line and report through S&OR
- Expect to have >500 specialists deployed into operating line
- Provides strong conduit between line and central expertise

# What's different?

## Expanded S&OR authorities and assurance



- **Authorities and intervention rights**
  - S&OR are engaged in emerging risk situations and operating decisions
  - Approvals of personnel appointments to critical S&OR defined roles
  - Independent S&OR input at major projects stage gate reviews
  - Approval of significant incident investigations ToR, team selection, recommendations
  - Authority to set requirements on any aspect of safety and operational risk
- **Day-to-day assurance**
  - Quality of assessments, mitigation and action plans for significant operational risks
  - Quality of incident investigation and learning
  - Quality of OMS Implementation
  - Competency of critical S&OR roles
  - Application of S&OR requirements (GDP, ETPs)

# Progress to date



- S&OR organization “go live” March 31<sup>st</sup> 2011
- Building the S&OR organization
- Key authorities in place
- Establishing, refining and clarifying requirements
- Expanded audit scope

# S&OR's 2011 focus and beyond



- Fully embed S&OR organization
- Enhanced framework that maintains clear, concise and understood requirements
- Embed and leverage S&OR assurance processes to drive:
  - Systematic management of operating risk
  - Full conformance with OMS
  - Application of requirements
  - Capability and capacity
  - Quality of investigations and learning from incidents
- Enhanced metrics to drive systematic management and operating rigor