



# TCFD Energy Group Metrics



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# Introduction

This Task Force on Climate-related Financial Disclosures (TCFD) document aims to provide a consolidated overview of bp's reporting against the TCFD Energy Group Metrics<sup>a</sup>.

Metrics and disclosures included in this index cover our activities during the period 1 January to 31 December for the years indicated.

As we transition from an International Oil Company to an Integrated Energy Company, we are reinventing our old business model. This upstream/downstream business model was in place up to 31 December 2020 and this is reflected in how we are reporting our ESG data for 2020. We transitioned to our new business model on 1 January 2021.

Performance data and disclosures included in this index are discussed further in the bp sustainability report 2020, the bp annual report and form 20-F 2020 and the bp energy outlook 2020. An associated basis of reporting document is available at [bp.com/basisofreporting](https://bp.com/basisofreporting). This outlines the approach and scope, used for data collection and verification of certain sustainability performance data, as published in the bp sustainability report 2020, bp annual report 2020, ESG datasheet and online at [bp.com/sustainability](https://bp.com/sustainability).

<sup>a</sup> From: Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures. Pages 54-55. Energy Group Metrics – illustrative examples. <https://assets.bbhub.io/company/sites/60/2020/10/FINAL-TCFD-Annex-Amended-121517.pdf> accessed 22.3.20

## Reports

 [Annual report and form 20-F 2020](#)

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 [Sustainability report 2020](#)

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 [Energy Outlook 2020](#)

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 [ESG datasheet 2020](#)

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 [Basis of reporting 2020](#)

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# Energy Group Metrics – Illustrative Examples<sup>b</sup>

TCFD Financial category	TCFD Climate – related category	TCFD Unit of measure	TCFD Example metric	bp disclosure	2019	2020	More information
Revenues	GHG emissions	MT of CO <sub>2</sub> e	Estimated Scope 3 emissions, including methodologies and emission factors used	Emissions from the carbon in our upstream oil and gas production (aim 2)	360.6	<b>327.6</b>	Estimated CO <sub>2</sub> emissions from the assumed combustion of upstream production of crude oil, natural gas and natural gas liquids (NGLs) on a bp equity share basis based on bp's net share of production, excluding bp's share of Rosneft production and assuming that all produced volumes undergo full stoichiometric combustion to CO <sub>2</sub> . Emissions are broadly equivalent to the GHG Protocol, Scope 3, category 11, with the specific scope of upstream production volumes.
Revenues	Risk adaptation & mitigation	Local currency	Revenues/savings from investments in low-carbon alternatives (e.g. R&D, equipment, products or services)	Not reported	–	–	We do not report this metric.
Expenditure	GHG emissions	Local currency	Describe current carbon price or range of prices used	Our price assumptions are determined for use in our investment appraisal processes. They are also used to inform decisions about internal planning processes and the impairment testing of assets for financial reporting. Carbon price \$50/tCO <sub>2</sub> e in 2021 <b>Read more:</b> <a href="#">Annual report and form 20-F 2020</a> – page 28			
Expenditure	Risk adaptation & mitigation	Local currency	Expenditures (OpEx) for low carbon alternatives (e.g., R&D, equipment, products, or services)	Not reported	–	–	As announced in September 2020, we aim to increase investment in low carbon to \$3-4 billion by 2025 and to around \$5 billion a year in 2030.
Expenditure	Risk adaptation & mitigation	Percentage	Proportion of capital allocation to long-lived assets versus short term assets	Not reported	–	–	We do not report the split of capital between long lived and short-term assets.
Expenditure	Water	Percentage	Percent water withdrawn in regions with high or extremely high baseline water stress	Total freshwater withdrawal in regions with high or extremely high baseline water stress (%)	4	<b>4</b>	We have set an aim (aim 17) to be water positive by 2035. <b>Read more:</b> <a href="#">Sustainability report 2020</a> – page 69
Expenditure	GHG emissions	Mt of CO <sub>2</sub> e	Amount of gross global Scope 1 emissions from: (1) combustion, (2) flared hydrocarbons, (3) process emissions, (4) directly vented releases, and (5) fugitive emissions/leaks	<b>Operational control<sup>ed</sup></b> Scope 1 (direct) greenhouse gas emissions (MteCO <sub>2</sub> e) Scope 1 (direct) carbon dioxide emissions (MteCO <sub>2</sub> e) Scope 1 (direct) methane emissions (Mte) Flaring (kt) <sup>e</sup> <b>Equity<sup>f</sup></b> Scope 1 (direct) greenhouse gas emissions, (MteCO <sub>2</sub> e) <sup>g</sup> Scope 1 (direct) carbon dioxide emissions, (MteCO <sub>2</sub> e) Scope 1 (direct) methane emissions, (Mte)	49.2 46.8 0.10 1,395 46.0 43.0 0.12	<b>41.7</b> <b>39.8</b> <b>0.07</b> <b>831</b> <b>41.3</b> <b>39.1</b> <b>0.09</b>	

## Energy Group Metrics – Illustrative Examples<sup>b</sup> continued

TCFD Financial category	TCFD Climate – related category	TCFD Unit of measure	TCFD Example metric	bp disclosure	2019	2020	More information
Expenditure	Energy/ fuel	Local currency	Indicative costs of supply for current and committed future projects (e.g., through a cost curve or indicative price range. This could be broken down by product, asset, or geography)	Not reported	–	–	Not reported  One of our strategic focus areas is resilient and focused hydrocarbons. We intend to continue to high-grade the portfolio, gradually resulting in significantly lower and more competitive producing and refining throughput. Over time, we expect production to fall from 1.6 mmb/d in 2020 to <1.5 mmb/d in 2025 and ~1.2mmb/d by 2030.
Assets	Water	Number of assets, value, percentage of total assets	Assets committed in regions with high or extremely high baseline water stress	Not reported	–	–	Currently, we actively manage our freshwater demands in areas of stress and scarcity. Based on analysis using the World Resources Institute Aqueduct Global Water Risk Atlas, four of our 24 major operating sites were located in regions with high or extremely high water stress in 2020, with another four in areas of medium to high water stress. The number of major operating sites in regions with high or extremely high water stress was three, when accounting for our bp petrochemicals and other 2020 divestments.
Assets	Risk adaptation & mitigation	Local currency	Investment (CapEx) in low-carbon alternatives (e.g., capital equipment or assets)	Invested in low carbon activities (\$m)	>500	750 <sup>h</sup>	We report the amount invested in low carbon activities in the sustainability report and annual report. We do not report revenues or savings from investments in low carbon.
Assets	GHG emissions	Amount of reserves MT of CO <sub>2</sub> e per unit of reserves	A breakdown of reserves by type and an indication of associated emissions factors to provide insight into potential future emissions	Not reported	–	–	We report movements in estimated net proved reserves  <b>Read more:</b> <a href="#">Annual report and form 20-F 2020</a> – page 238  We do not report the potential future emissions associated with these reserves.
Capital	Risk adaptation & mitigation	Years, percentage return on investment	Capital payback periods or return on capital deployed	Not reported	–	–	We do not report capital payback periods or return on capital deployed for individual assets. Part of our business model is resilient and focused hydrocarbons. Through our production & operations business, we aim to produce the affordable hydrocarbon energy and products the world needs and generate cash to fund our operations and our transformation to an Integrated Energy Company.

<sup>b</sup> From: Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures. Pages 54-54. Energy Group Metrics – illustrative examples. <https://assets.bbhub.io/company/sites/60/2020/10/FINAL-TCFD-Annex-Amended-121517.pdf> accessed 22.3.20.

<sup>c</sup> Operational control data comprises 100% of emissions from activities operated by bp, going beyond the IPIECA guidelines by including emissions from certain other activities such as contracted drilling activities.

<sup>d</sup> We provide data on GHG emissions material to our businesses on a carbon dioxide-equivalent basis. This includes CO<sub>2</sub> and methane for Scope 1 emissions.

<sup>e</sup> We report the total hydrocarbons flared from our upstream operations.

<sup>f</sup> bp equity share data comprises 100% of emissions from subsidiaries and the percentage of emissions equivalent to our share of joint arrangements and associates, other than bp's share of Rosneft.

<sup>g</sup> We provide data on GHG emissions material to our businesses on a carbon dioxide-equivalent basis. This includes CO<sub>2</sub> and methane for Scope 1 emissions.

<sup>h</sup> Aim 5 non-oil and gas activities included a partial acquisition payment for the US offshore wind partnership with Equinor, our investments in electrification and advanced mobility, and investment into activities through bp ventures and Launchpad.

