

Materiality

To make sure we report about the sustainability issues that matter most to our stakeholders, we carry out regular materiality assessments. We use what we learn to focus our sustainability reporting.

Our materiality process

Our material sustainability topics are not static and can change in relative importance over time. Noting this, we revisited steps two and five of our materiality process in 2021, as we did in 2020. This helps us stay updated on the changing sustainability reporting landscape.

The 2021 materiality update involved conducting in-depth research to uncover and identify new and emerging ESG topics. The research included reviewing external ESG reporting frameworks, ESG legislation and industry trends. Existing material issues were also considered alongside this research to confirm their continued significance.

We then discussed and validated the findings of this research with internal stakeholders, including environmental and social subject matter experts. We updated the board-level safety & sustainability committee on the outcome of the process.

We identified 21 key issues that are important to bp in 2021 and mapped them to our sustainability frame. Our updated research highlighted the increasing significance of two material issues: water management and health & wellbeing.

These two issues were previously considered sub-topics of other material issues but have been added as individual material issues to reflect their increasing significance. Both of these are aims in our sustainability frame.

We have used these results to inform our sustainability reporting and we plan to continue developing our materiality process in future years.

Step 1

Setting parameters

We determined the materiality of bp's key issues using three parameters: importance, impact and influence. Each parameter included clearly defined criteria to enhance the rigour and robustness of the process and to eliminate subjectivity as much as possible.

- Importance: the importance of each issue to key internal and external stakeholders.
- Impact: the impact of each issue on bp's future business.
- Influence: bp's ability to influence and drive change regarding each issue.

We collaborated closely with our risk team at this stage of the assessment to define the impact criteria and thresholds, as well as throughout the process.

Step 2

Identifying issues

We carried out a horizon-scanning exercise to identify a list of issues for stakeholders to consider and prioritize. We reviewed and considered: relevant ESG frameworks and standards (including Global Reporting Initiative (GRI), SASB and TCFD); current relevant legislation; global, market and industry-specific trends; existing bp processes, policies and documentation, including bp's risk processes; topics discussed in the media and across our industry.

In 2021 we refreshed our research phase to uncover and identify new and emerging topics. In particular, we looked at sustainability reporting frameworks, ratings and standards, as well as relevant regulations across the markets in which we operate. We also reviewed industry trends and media coverage from the past year and conducted a review of topics considered material by our peers.

Step 3

Determining the importance of key issues

Using our prioritization criteria, we conducted interviews and facilitated an online survey with key external stakeholders and bp employees to gather their perspectives on the importance of bp's key issues. Participants came from: investor companies, academia, NGOs, industry associations, government, bp partners and service providers. In addition, we used several internal consumer research documents to gauge the sustainability priorities of our customers and consumers.

Step 4

Determining the impact and influence of key issues

We ran a survey to gather feedback from senior employees across bp on the impact and influence of each issue, using our prioritization criteria. To ensure a balanced and representative viewpoint, we engaged with individuals working across many different geographies and in various functions. Again, our risk team was closely involved.

Step 5

Analyzing and validating

We used qualitative analysis to extract the key themes before consolidating them to create a list of our top material issues. We tested and validated the final results with a working group from across bp, including experts in human rights, social performance and environment, risk and measurement.

In 2021 our validation process included two workshops with bp subject matter experts to test our material issues shortlist. We used their expertise and understanding of the impact, scale and trends relating to the issues to the continued relevance of existing material topics and the suggested changes to the material topics based on the 2021 research. We asked our subject matter experts to check the scope and definitions of the shortlisted issues.

Step 6

Ongoing engagement

The process of engaging doesn't stop with our materiality research. We continue to gather feedback from our stakeholders and will use this to inform our next materiality assessment.

Key material issues for 2021

You can read more about these issues in our [bp sustainability report 2021](#).

Foundations

Business ethics and accountability –

Conducting our business in an ethical manner, using our values and code of conduct to guide us and being accountable to stakeholders for our performance in managing issues, including risks related to climate change.

[Read more on page 13](#)

Employee attraction and retention – Fostering a purpose-driven and inclusive culture to attract, retain and incentivise diverse and skilled talent to deliver on bp's transition to an integrated energy company.

[Read more on pages 14-15](#)

Safety – Focusing on the safety of our employees and contractors and preventing incidents through carefully planning our operations, identifying potential hazards and managing risks at every stage.

[Read more on pages 11-12](#)

Get to net zero

Climate change and the energy transition –

Helping to enable the energy transition and get the world to net zero, in order to reduce global greenhouse gas emissions while meeting the growing demand for energy and contributing to a just transition.

[Read more on pages 19-20](#)

GHG emissions – own operations – Reducing greenhouse gas emissions from our own operations through improvements in energy efficiency, reductions in flaring and venting, use of low carbon electricity for our facilities and operations, among other low carbon technologies.

[Read more on pages 22-23](#)

GHG emissions – our products – Reducing greenhouse gas emissions from the use of our products by customers or consumers across product lifecycles, including by reducing greenhouse gas emissions from our own operations and increases in mobility solutions.

[Read more on page 24](#)

Methane gas emissions – Minimizing methane leakages from natural gas production and transportation through deploying detection and quantification technologies.

[Read more on page 25](#)

Public policy and lobbying – Actively advocating for policies that support the energy transition and ensuring bp's lobbying and advocacy is consistent publicly-stated policy positions and commitments.

[Read more on pages 29-31](#)

Renewable energy – Promoting and increasing investment in renewable and alternative energy including solar, wind, biofuel, biopower and hydrogen, in order to increase the share of renewables in the energy mix and decrease emissions from growing energy demand.

[Read more on pages 26-27](#)

Improve people's lives

Access to clean energy – Increasing access to clean energy through our portfolio of renewable and low carbon energy to support economic growth, reduce poverty and improve communities' health and wellbeing.

[Read more on page 35](#)

Diversity, equity and inclusion – Providing a diverse and inclusive workplace that values differences, increases minority representation, provides equal opportunities and treats all employees fairly.

[Read more on pages 38-39](#)

Health and wellbeing – Promoting wellbeing, with a focus on mental and physical health, by working to tackle the stigma around mental health issues and offering our people access to a range of facilities and services.

[Read more on page 40](#)

Human rights – Seeking to ensure human rights are upheld throughout our supply chain, encompassing the issues of forced labour, human trafficking, modern slavery, fair working and living conditions, non-discrimination and channels to raise concerns.

[Read more on pages 36-37](#)

Just transition – Mitigating the potential adverse impacts of a low carbon transition on workers and communities while promoting sustainable and resilient opportunities that low carbon industries can bring to workers and communities including decent jobs and access to sustainable energy.

[Read more on pages 35-36](#)

Sustainable livelihoods and community

engagement – Preventing, reducing and managing any negative effects on the livelihoods, land, environment, cultural heritage, health and wellbeing of people in communities near our activities, including indigenous peoples. Engaging in an open and constructive way to help avoid and minimize any impacts.

[Read more on pages 37-38](#)

Care for our planet

Biodiversity and sensitive areas – Restoring, maintaining and enhancing nature by taking measures to identify and seeking to avoid, direct impacts on biodiversity and mitigating potential significant impacts, as well as planning to enhance biodiversity around existing major operating sites and support biodiversity restoration and the sustainable use of natural resources.

[Read more on page 43](#)

Circularity – Keeping materials in use for longer by using circular resources and embracing circular principles in design, operations and decommissioning.

[Read more on page 46](#)

Ecological impacts, dependencies and opportunities

– Managing the impact of our activities on the natural environment whilst identifying opportunities to protect and enhance the local environment where we operate. This includes spill prevention, decommissioning, hydraulic fracturing, water use, waste and air quality.

[Read more on pages 15-16](#)

Nature-based solutions – Protecting, restoring and creating natural carbon sinks, including peatlands and forests, to support reductions in carbon emissions, enhance biodiversity and improve sustainable livelihoods from local communities.

[Read more on page 45](#)

Sustainable supply chain – Promoting sustainability in our supply chain and with our business partners.

[Read more on page 46](#)

Water management – Focusing on responsible use of water, including freshwater withdrawal and use, assessing risks and impacts on freshwater availability and management of produced water and wastewater to avoid pollution and reduce water demands.

[Read more on page 44](#)