



Canada-Newfoundland & Labrador Benefits Plan
Orphan Basin Exploration Project

BP Canada Energy Group ULC

May 11, 2022

Final

Document Classification: General Public

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1.0 Introduction

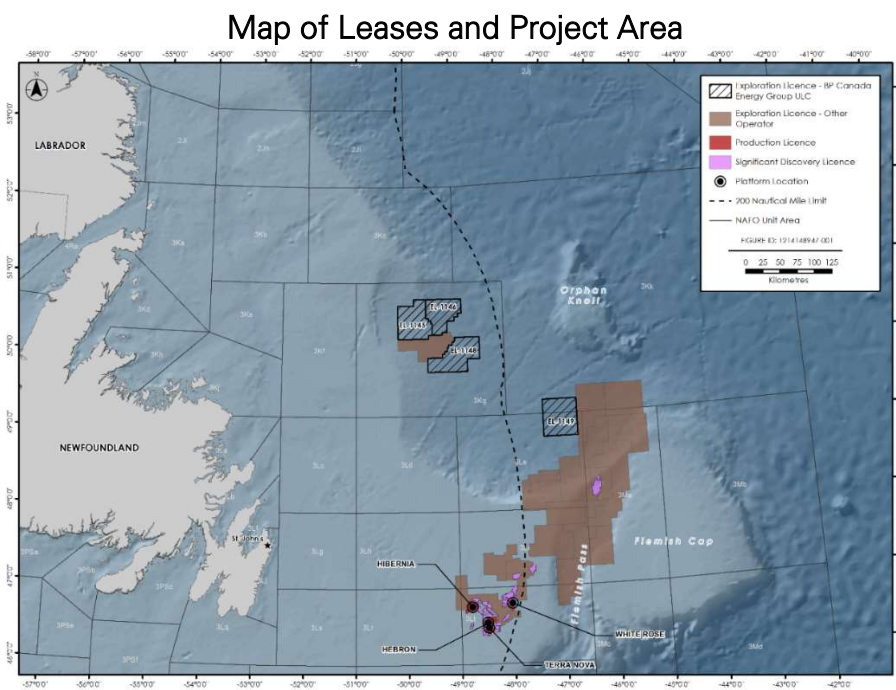
This Canada-Newfoundland & Labrador Benefits Plan (this “Plan”) for the Orphan Basin Exploration Project (the “Project” as defined more fully in section 2.1 below) has been prepared by BP Canada Energy Group ULC (bp) as operator of the Project. This Plan is being submitted to the Canada-Newfoundland & Labrador Offshore Petroleum Board (“C-NLOPB”) for approval as required in the *Canada-Newfoundland & Labrador Offshore Petroleum Resources Accord Implementation (Newfoundland & Labrador) Act* and the *Canada-Newfoundland & Labrador Offshore Petroleum Resources Accord Implementation Act* (the “Accord Acts”).

This Plan is for a five-year duration. Planned activity includes a visual survey of the seafloor using a remote operated vehicle (ROV) in 2022 and one exploration well in 2023.

The Project will provide for full and fair opportunities for businesses and people of Newfoundland and Labrador (NL) and Canada to participate in, and benefit from the activities associated with the Project. The Project will provide first consideration to Newfoundlanders and Labradorians in employment and training opportunities and business opportunities where the qualifications required for the particular role or service are met.

1.1 Project Description

BP Canada Energy Group ULC is proposing to conduct the Project on Exploration Licences (ELs) 1145, 1146, 1148. The exploration drilling program is comprised initially of a remote operated vehicle (ROV) survey in 2022 and a proposed exploration well in 2023.



The offshore exploration well(s) are the only new pieces of infrastructure to be constructed as part of the Project. All other Project components, including the drilling vessel, support vessels, helicopters, supply base and office are pre-existing and will be used for the Project on a temporary basis through contractual arrangements.

The Project includes additional components as follows which, as required, will be subject to Benefit Plan Amendment or Supplement:

- ROV site survey
- the mobile offshore drilling unit
- the shore-based supply area
- logistics support (supply vessels, aviation)
- well services support (mud plant, wellheads, OCTG, cementing, wireline services, etc.)
- a physical office in the province
- additional support services (fuel supply, contingent labor, etc.)

1.2 bp's commitments

bp is committed to:

- Incorporating processes and procedures to ensure Newfoundland and Labrador and other Canadian businesses, manufacturers, consultants, contractors, and service companies are given a full and fair opportunity to provide goods and services to the Project on a competitive basis, in terms of fair market price, quality and delivery, according to the requirements of section 45 of the *Accord Acts*.
- Providing first consideration for procurement of services provided from within the province and to goods manufactured in the province, where those services and goods are competitive in terms of fair market price, quality and delivery.
- bp requires bidders to ensure they can deliver on the following:
 - achieve the Health, Safety, Security and Environment (HSSE) requirements
 - comply with the contract scope(s)
 - meet the required timelines
 - technically capable
 - adhere to the local content requirements
 - best overall commercial value
 - meet the terms and conditions of the contract
 - local experience and competency
- Providing fair and equal employment and training opportunities that are consistent with the *Canadian Charter of Rights and Freedoms*. Providing first consideration consistent with the requirements of the *Accord Acts* to residents of Newfoundland and Labrador where required qualifications, experience, and competencies for the role are met for employment or supply and service opportunities, including companies, contractors and consultants.
- Verifying that its contractors and suppliers comply with the provisions and intent of this Plan as described in their awarded contract.

2.0 Description of Work Activity

2.1 Pre-Drilling Operations, 2021/2022 Activities

- The major activities being undertaken during 2021/2022 are concentrated in six areas: ROV site survey activity, well planning, contracting for long lead items and services, stakeholder outreach, initiating permitting process with C-NLOPB and establishment of a local office in St. John's. bp is proposing to conduct an ROV video survey of the seafloor at potential drilling locations on ELs 1145, 1146 and/or EL 1148 to confirm the presence/absence of sensitive biological communities (corals and sponges) to inform wellsite planning and mitigation measures for exploration drilling in these ELs.
- Well planning activities will continue in 2021/2022 in support of the contracting and permitting processes.
- Contracting for long lead items and services will be conducted to meet the drilling timeline. bp will communicate opportunities, project requirements and specifications in a timely manner to the local supplier base using EnergyNL, Maritimes Energy Association and bids.ca. C-NLOPB will be kept apprised of the procurement process as per regulatory requirements.
- Stakeholder outreach initiatives will continue throughout 2021/2022 to inform stakeholders, including the fisher organizations, Indigenous Groups, the public, local businesses and government departments and agencies about the Project and to listen and respond to their queries and concerns. Stakeholder outreach will also include identifying specific areas where support for companies owned and operated by members of designated groups may be required.
- bp recognizes the important role that our suppliers play in our company's success. bp will maintain a partnership with EnergyNL and other business-facing organizations to identify ways to support the growth and development of diverse businesses. bp will also participate in supplier development sessions such as conference events, procurement training, supplier forums and other industry opportunities aimed at supporting companies owned and operated by members of designated groups.
- bp will initiate the permitting process with the C-NLOPB.
- To support the Site Survey and the drilling team moving into St. John's, bp plans to establish a local office in 2022.

2.2 Drilling Operations

bp plans to commence exploration drilling in 2023, pending regulatory approval to proceed and the sourcing of equipment. At this time, it is anticipated that exploration drilling will be carried out in multiple phases so that initial well results can be analyzed to inform the execution strategy for any subsequent wells. Additional wells may be drilled over the term of the ELs

contingent on the drilling results of the initial well(s). It is anticipated that each well will take approximately 80 days to drill.

3.0 Statutory Requirements

3.1 Office in the province

bp will establish an office in St. John's for the duration of the Project. The office will be staffed with appropriate management and administrative support staff. During planning and operations, technical staff directly working on the Project will also work in the St. John's office. Key bp personnel with an appropriate level of decision-making authority will be located in St. John's including, for example, personnel tasked with drilling operations, emergency response, and crisis management.

bp recognizes the importance of having a local presence and location known to stakeholders and local businesses who seek information pertaining to the Project.

3.2 Full and Fair Opportunity

In compliance with section 45 of the *Accord Acts*, bp has processes and procedures to ensure NL and Canadian residents, businesses, manufacturers, consultants, contractors and service companies are given a full and fair opportunity to provide goods and services to the Project on a competitive basis, in terms of fair market price, quality and delivery. bp and its contractors commit to providing full and fair opportunity in accordance with section 45 of the *Accord Acts*.

In accordance with Appendix I (Benefits Plan Guidance) of the C-NLOPB's Guidelines, bp is following reporting requirements and working closely with the C-NLOPB on sourcing initiatives that are both direct bp requirements and requirements of bp contractors for their subcontractors. bp is working closely with its contractors to assure compliance with Appendix I, and bp will continue to post opportunities on EnergyNL, Maritimes Energy Association and bids.ca and give local contractors the opportunity to provide information and participate in tenders.

3.3 First Consideration

bp and its contractors will adhere to requirements set out in the C-NLOPB's Benefits Plan Guidelines and provide opportunities for local (NL) businesses and citizens to gain employment, training, and contracts associated with the Project. First consideration will be given to applicants from NL in accordance with the requirements of the *Accord Acts*, and opportunities awarded on a competitive basis.

4.0 Policy and Procedures

4.1 Procurement and Contracting

bp is committed to obtaining its goods and services using a fair and competitive process. bp will support local and regional businesses by considering potential suppliers for work associated

with the Project on the basis of fair market price, quality and delivery. bp will provide a forecast for procurement of goods and services for the drilling operations on a quarterly basis. bp is committed to verifying that its contractors follow the same principles and guidelines.

bp will follow the C-NLOPB guidelines for procurement of goods and services. Notification will be provided to the C-NLOPB for all Designated Contracts, as determined by the C-NLOPB, on the following three stage process as part of the reporting framework

- 1) Expression of Interest (EOI);
- 2) Request for Proposal (RFP); and
- 3) Award of contract

If at any time the above process cannot be followed, the C-NLOPB will be consulted.

bp intends to go to the market through EOI for the majority of line items. bp will post sourcing initiatives of significant value through EOIs publicly on the EnergyNL website, Maritimes Energy Association and bids.ca. All EOIs received will be evaluated by the Project Team and based on the responses to the EOI, bp may proceed with an RFP. If bp conducts an RFP with EOI respondents, bp will use its internal ARIBA system to conduct the tender process, including all communication with bidders and evaluations of the RFP responses. Respondents to the RFP will be required to submit the Contractor assessment profile information as part of their submission to allow for evaluation of local content. ARIBA is procurement software used by bp globally for sending, receiving, and evaluating bids in a secure environment, there is no cost to respondents for using the ARIBA system.

bp will ensure that scopes of work and any potential resulting bundles of work are right sized for purposes of RFPs including options to tender on all or part of a bundle(s) based on results of EOIs and supplier capabilities.

bp encourages the establishment of new or returning entrants to Newfoundland and Labrador and if appropriate, the formation of partnerships between firms to enhance their ability to compete for the work.

On all RFPs, Newfoundland and Labrador local content will be evaluated through local content criteria. All RFP responses will require the contents of the contractor assessment profile be submitted by suppliers. Local content will be weighted in the competitive analysis of RFPs in terms of fair market price, technical capability, quality and delivery per the timeline, in a manner consistent with the requirements of the *Accord Acts*.

bp requires its contractors to meet bp's Anti-Corruption and Due Diligence standards, and comply with the bp Code of Conduct, bp HSSE requirements, and applicable laws and regulations.

bp will mandate all its contractors working on the Project to report their local content actuals to bp and will thereafter provide the data to the C-NLOPB through the reporting framework as described in the Benefits Plan Guidelines.

All unsuccessful bidders during EOI or RFP stage will be informed in a timely manner. Supplier debriefings will be provided upon request. Upon request, bp will provide relevant information

should there be queries directed to the C-NLOPB regarding employment or procurement practices. bp will work closely with the C-NLOPB and suppliers to address any issues on employment or procurement and contracting practices in a timely manner.

4.2 Employment and Training

Potential employment opportunities associated with the Project will be communicated to the local and regional audiences via online employment sites. Candidates for employment will require offshore-specific medical examinations, as well as drug and alcohol testing, prior to any job being awarded. Offshore positions may also require additional safety certifications (e.g., MEDA-1 or equivalent, first aid/CPR, WHMIS). If minor training gaps exist bp will ensure individuals are given a reasonable period of time (pre-agreed) to obtain necessary training. If training is non-industry standard and/or specific to bp, then bp will cover the costs associated with obtaining this training. All roles will require proof of COVID-19 vaccinations.

bp will require and verify that the employment practices of the contractors selected to perform work on bp's behalf conform to the provisions and intent of this Plan.

bp will assure that all personnel hired for this Project have the necessary and appropriate training for their individual position, based on the Atlantic Canada Offshore Petroleum Industry Standard Practice for the Training and Qualifications of Personnel, which may include:

- offshore survival training
- site orientation
- first aid and cardiopulmonary resuscitation (CPR) training and
- Workplace Hazardous Materials Information System (WHMIS) training

The rig contractor will provide bp with an employment plan and if required by the C-NLOPB, a succession plan.

5.0 Diversity, Equity & Inclusion (DE&I)

Our diversity, equity and inclusion ambition is for bp to reflect the world around us. We want to be the go-to Integrated Energy Company for the best and brightest talent the world has to offer.

We aim to be a company that:

- Creates an environment where everyone can bring their best and true selves and reach their potential.
- Values difference, hears all voices, and nurtures all talent.
- Does not tolerate prejudice. Ever.

We want to be recognized and respected by our stakeholders for having a workforce that:

- Reflects society as a whole.
- Connects deeply with consumer perspectives and demand globally.
- Engages and empowers the communities we partner with and operate in.

- Uses diverse perspectives to help achieve pioneering innovations in reducing carbon emissions and progressing our net zero ambition.

5.1 Sustainability frame and DE&I

bp's aim 14 is greater diversity, equity and inclusion for our workforce and customers, and to increase supplier diversity spend to \$1 billion globally. bp wants our workforce and customers to experience greater equity – fair treatment according to everyone's different needs and situations – while also helping our partners in the bp 'ecosystem' do the same. We'll aim to do this by improving workforce diversity and workplace inclusion, making customer experiences more inclusive and increasing our annual expenditure with diverse suppliers, including female, and underrepresented or minority groups (supplier diversity) to \$1 billion globally by 2025. bp's diversity, equity and inclusion policies apply to all locations where bp works.

Our supplier diversity goal is to deepen our commitment to be an equitable, inclusive, and sustainable partner. bp expects that our suppliers and contractors have a diversity policy and adhere to it.

5.2 Global Framework for Action (GFFA)

bp's (GFFA) guides how we will advance and integrate diversity, equity and inclusion in our business everywhere bp does business. This governance is built around three pillars:

- **Transparency** - providing accurate data internally and externally to identify gaps set direction and monitor progress.
- **Accountability** - creating collective accountability for DE&I across the whole organization.
- **Talent** - providing talent processes and programs to create equity of opportunity.

bp focuses on areas where we think we can make the biggest difference in the places where we work. These focus areas are underpinned by specific short- and long-term objectives and targets on gender equity, recruitment, gender pay gaps and more. Access to better data through the DE&I scorecard and initiatives such as 'self ID' assist in the identification and support of diverse populations and foster inclusive and equitable experiences at work.

5.3 Greater Equity & Supportive Workplaces

At bp, we promote an environment where everyone can bring their whole self to work so that people can deliver at their best and progress based on their full potential.

5.3.1 Recruitment

bp is building a diverse workforce by consciously attracting the best people to bp. We aim to attract the best talent, no matter where it is from and are focused on driving improvements in ethnic representation through initiatives such as sponsorship, targeted recruitment, and talent practices, as well as setting goals to track success. A diverse workforce also means having a better gender balance, to support our gender goal progress bp continues to implement initiatives to attract and retain more female talent. Externally we have several initiatives and partnerships, which aim to dispel misconceptions about careers in our industry and at bp and

provide unconscious bias training. The aim of these and other such initiatives is greater diversity, equity, and inclusion – throughout the recruitment process.

5.3.2 Work life balance

bp believes that flexible working benefits everyone and is a key enabler to attracting and retaining a diverse workforce. bp work/life is bp's hybrid approach to the workplace, shifting the balance of where and how office-based personnel work. bp work/life will be our new way of working, which will enable collaboration, integration and a healthy balance between work and life.

5.3.3 Accessibility

bp strives to improve workplace accessibility because we recognize and celebrate the unique additional strengths that people with diverse abilities bring to our teams. As an employer, a customer-facing organization, and a corporate citizen we can and must play a role to improve inclusion for the population living with a disability.

We aim to create a more accessible workplace with the support of our employee-led disability business resource group, which focuses on disability, neurodiversity and mental wellbeing. We aspire to be a company that is representative of all people including those with disabilities. bp is working to improve disability inclusion through training offerings, improved communications methods, assistive technology support and accessible workplace designs.

5.3.4 Partnership with education institutes

The Memorial University (Newfoundland) scholarships is a top up of bp's historical endowment and provides two annual awards of \$2,500 each. These scholarships enhance our reputation as an employer of choice and are aligned with bp's exploration activity on the East Coast of Canada.

5.3.5 Speak-up Culture

bp wants to create a workplace where our employees, contractors, vendors, third parties and other stakeholders feel valued and respected. There are multiple channels available to raise questions or concerns about our code of conduct, or to report unethical or unsafe behaviours. Concerns and enquiries can be raised to bp personnel, or anonymously via OpenTalk, the bp global confidential helpline. Administered by an independent company, OpenTalk is available 24 hours a day, seven days a week and can accommodate calls in more than 75 languages by phone or web. It can also be used by anyone we work with, and concerns can be raised by employees, the wider workforce, communities, business partners and other stakeholders who wish to report a grievance.

6.0 Consultation

bp will initiate and maintain timely consultation with the C-NLOPB and with appropriate government departments as requested by the C-NLOPB on the benefits plan and related components.

7.0 Monitoring of Long Lead contracting

bp acknowledges that any activity with respect to long lead procurement or contracting for exploration activity, prior to the approval of an Exploration Benefits Plan will be at bp's own risk. bp will mitigate this potential risk by conducting activity in accordance with the Canada-Newfoundland and Labrador Benefits Plan Guidelines and through diligent consultations with the C-NLOPB.

8.0 Exploration and Pre-Development Monitoring

bp recognizes that the scope of the Plan, including statutory requirements and policies and procedures, covers not only exploration activity in conjunction with a particular program, but post-exploration activity as well. This includes any pre-development contracting conducted prior to the approval of a Benefits Plan for a field development. bp will consult with the C-NLOPB on post-exploration and pre-development contracting consistent with the Plan.

9.0 Annual Report

bp will submit an annual Canada-Newfoundland and Labrador Benefits Report, in a format satisfactory to the C-NLOPB containing the following information:

- a synopsis of activity during the year, including project progress, milestones, and benefits achievements
- a description of any specific initiatives, such as supplier development, technology transfer, training programs, succession of Newfoundland and Labrador residents and other Canadian residents into senior positions etc.
- a summary of project expenditures and
- a summary of persons employed for the project, classified by residency status.