

ConocoPhillips - Climate Change 2018

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

ConocoPhillips is the world's largest independent exploration and production (E&P) company based on proved reserves and production of liquids and natural gas.

Headquartered in Houston, Texas, we have operations and activities in 17 countries. Our key focus areas include safely operating producing assets, executing major developments and exploring for new resources in promising areas. Our portfolio includes resource-rich North American tight oil and oil sands assets; lower-risk legacy assets in North America, Europe, Asia and Australia; several liquefied natural gas (LNG) developments; and an inventory of global conventional and unconventional exploration prospects.

As of December 31, 2017, ConocoPhillips employed approximately 11,400 people worldwide.

ConocoPhillips is committed to the efficient and effective exploration and production of oil and natural gas. Producing oil and natural gas and getting them to market takes ingenuity, technology and investment. Our innovative, collaborative efforts yield products that improve quality of life globally while producing economic benefits with far-reaching influence.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Field Hidden>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Australia
Canada
Norway
United Kingdom of Great Britain and Northern Ireland
United States of America
Other, please specify (Rest of World)

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain

Upstream

Other divisions

Carbon capture and storage/utilization

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board/Executive board	The Public Policy Committee of the Board oversees our positions on public policy issues, including climate change, and on matters that may impact the company's reputation as a responsible corporate citizen, including sustainable development actions and reporting.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	Members of senior management have final responsibility for: developing corporate strategy, developing and reporting company performance, and implementing sustainability efforts. The Public Policy Committee makes recommendations to the board, and monitors compliance with the company's programs and practices regarding health, safety and environmental protection, including climate change, water and biodiversity management; business operations in sensitive countries; government relations and political contributions; human rights and social issues; corporate philanthropy; and corporate advertising. The committee, currently comprised of independent directors, convenes at least quarterly. Sustainability issues are a standing agenda item; while climate-related issues are integrated into all the listed governance mechanisms, the sustainability topic at each meeting may vary.

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Climate Champion on ELT (reports to CEO))	Both assessing and managing climate-related risks and opportunities	Annually

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

We have Executive Leadership Team (ELT) champions (that report directly to the CEO) for key issues in sustainability: overall implementation, stakeholder engagement, human rights, climate change, water and biodiversity. The ELT Champions meet periodically with the Sustainable Development Group and the full ELT to assess progress on climate change issues, including action plan reviews, goal setting and future strategy development. Strategic planning, goalsetting, implementation performance, and reporting are reviewed by the Sustainable Development Leadership Team (SDLT), Health, Safety and Environment Leadership Team (HSELT), and stakeholder engagement leaders comprised of senior functional and operational leaders from across the business. There is an environmental and sustainable development steering committee of internal experts that advises the HSELT on key issues in more detail and depth.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?

Corporate executive team

Types of incentives

Monetary reward

Activity incentivized

Other, please specify (Performance against operating plan)

Comment

Two of the three components of our performance-based executive compensation are related to sustainability: The Variable Cash Incentive Program (VCIP), and the Performance Share Program (PSP) component of the Long Term Incentive Program (LTIP). Awards under the VCIP program are determined by company performance measured against one-year Health, Safety and Environmental (HSE) performance (20%) and the one-year achievement of strategic milestones (20%) aligned with our strategic priorities. Awards under the PSP program (60% of the LTIP in 2017, increasing to 65% in 2018), include the achievement of Strategic Objectives (20%) aligned with our strategic priorities. An important measure of strategic objectives is addressing stakeholder issues that are critical to success, including sustaining excellence in ESG. Arriving at these ESG-related objectives begins with our ESG governance model and our strategy process, which utilizes climate change scenario planning extending to 2040. If any actions from this scenario planning are deemed necessary to take action within the next 3-5 years, the associated actions are considered in our VCIP/PSP programs, clearly establishing the link between climate-related planning and compensation.

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Monetary reward

Activity incentivized

Efficiency project

Comment

Incentivized performance indicators vary among different corporate, business and functional units, and can include (but are not limited to): • Achieving goals set out in corporate, business and functional unit climate change action plans • Improved energy efficiency resulting in GHG reduction • Development of low carbon business opportunities • Effective implementation of public policy advocacy plans • Carbon credit generation and optimization • Successful development of technology aimed at reducing GHG emissions • Effective knowledge sharing regarding climate change risks/opportunities, policy, GHG reduction best practices, etc. Employees also participate in the Variable Cash Incentive Program (VCIP), which now has a 10% additional "innovation" target.

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Other non-monetary reward

Activity incentivized

Efficiency project

Comment

The ConocoPhillips SPIRIT award is given annually to exceptional employees who have made outstanding grassroots contributions and demonstrated unparalleled commitment to the advancement of the community, including environmental stewardship. SPIRIT Awards (Safety, People, Integrity, Responsibility, Innovation and Teamwork) have included awards related to climate and sustainable development in almost every category. Notable climate change-related awards include: 2016 (Responsibility) – Eagle Ford Fugitive Emissions 2016 (Responsibility) – Marginal Abatement Cost Curve 2015 (Responsibility) – Darwin LNG West Arnhem Land Fire Abatement Project (WALFA).

Who is entitled to benefit from these incentives?

Other, please specify (Non-employee)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction project

Comment

The St Andrews Prize for the Environment is an initiative by the University of St Andrews in Scotland and ConocoPhillips. The prize recognizes significant contributions to environmental conservation and since its launch in 1998 has attracted entries from more than 50 countries each year on diverse topics including; • Sustainable development in the Amazon rainforest • Urban regeneration • Recycling • Health and water issues • Renewable energy. Submissions for the annual prize are assessed by a panel of eminent trustees representing science, industry and government with the award going to the project the trustees consider displays the best combination of good science, economic realism and political acceptability. The Restoring Ancient Water Technologies in Peru project won the 2018 prize. See more at <http://www.conocophillips.com/in-communities/water-biodiversity-stewardship/Pages/st-andrews-prize.aspx>. ConocoPhillips is also leading a joint industry project to sponsor the \$20 million (USD) Carbon XPRIZE, which challenges innovators across the world to find novel technologies that reuse CO2 emissions from fossil fuel combustion into valuable products. If a way to recycle these emissions into valuable products is found, emissions can be significantly reduced from oil sands operations and other types of operations. See more at <http://carbon.xprize.org/>

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	5	In this time horizon we can complete short-cycle drilling campaigns and small projects.
Medium-term	5	15	In this time horizon we can complete most major projects, and our portfolio can change dramatically within these years. We use this range for our GHG forecasting and planning.

	From (years)	To (years)	Comment
Long-term	15	25	This time horizon aligns with our scenario planning processes.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Annually	>6 years	At the highest level, climate change risks are identified along with other key categories in the Enterprise Risk Management process.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

As part of the Sustainable Development Risk Management Practice, existing production and planned exploration activities are examined against the physical, social, and political settings of our operations to ascertain potential risks. As part of the process, the interdependence of risks is examined as is the identification of emerging risks. Business Units (BUs) and major projects are required to conduct regular assessments to identify significant risks and document and track mitigations for inclusion in company-wide action plans.

Local environmental and stakeholder matters related to our operations and projects are assessed and managed at the BU level, enabling each BU to tailor region-specific action plans to address the unique challenges and opportunities of their operations. Additionally, other local concerns may influence the potential importance of these environmental and stakeholder matters including long-term risks and cumulative impacts.

Other risks and opportunities are assessed and managed at the corporate level, including many climate-related risks outlined in the Task Force for Climate Related Financial Disclosure (TCFD) final report along with other emerging frameworks such as the Sustainability Accounting Standards Board (SASB). We manage these risks through our climate change strategy and engagement with key stakeholders, including investors and the financial sector.

The SD Risk Assessment Tool is a tool used during project development and operations to identify and address potential risks. When risks are identified, additional assessment may be needed to develop appropriate mitigation actions. Work on an issue may begin with improving our understanding of the issue, developing measurements of key data, or assessing risks and opportunities. Risks and opportunities are assessed using a risk matrix approach. Identified risks are evaluated based on their severity level and the likelihood of occurrence. In evaluating the severity level, we consider the impact on employee and public safety, the socio-cultural economic impact to stakeholders, the environmental impact, the impact on industrial hygiene, and financial implications. Mitigation policies are then reviewed, and a process is established with assurance being applied. Any potential mitigation gaps are identified and then reviewed and updated through an annual review process with senior management.

At the project level, those that emit more than 25,000 metric tons CO₂e net to ConocoPhillips during any year of project operation and cost more than \$50 million, must complete a formal Climate Risk Assessment as part of the Capital Project Management System. Project teams are required to assess the potential risks and opportunities associated with GHG emissions, GHG regulation and a physically changing climate. This assessment is a requirement for project and investment approval.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation and how it might evolve is considered in our risk assessments through the SD Risk Assessment Practice, Climate Risk Assessment, and our scenario analysis. For example, we consider the impact of current cap and trade programs where we

	Relevance & inclusion	Please explain
		operate, such as the EU ETS, and how the carbon pricing may change. In our carbon-constrained scenarios, we consider different magnitudes and speeds of implementation for government actions to view a range of possible futures.
Emerging regulation	Relevant, always included	Emerging regulation is considered in our risk assessments through the SD Risk Assessment Practice, Climate Risk Assessment, and our scenario analysis. For example, we consider the impact of possible future carbon taxes in our projects with a \$40/tonne carbon tax sensitivity. In our carbon-constrained scenarios, we consider different magnitudes and speeds of implementation for government actions to view a range of possible futures.
Technology	Relevant, always included	Technology is considered in our risk assessments through the SD Risk Assessment Practice, Climate Risk Assessment, Marginal Abatement Cost Curve, and our scenario analysis. For example, we assess technology solutions in our Marginal Abatement Cost Curve, which calculates a “breakeven cost of carbon” for each emission reduction project that is evaluated by the Executive Leadership Team. This has included technologies such as Flow Control Devices that are currently being implemented in Canada. In our carbon-constrained scenarios, we consider different magnitudes and speeds of implementation for technological advancement to view a range of possible futures.
Legal	Relevant, sometimes included	Legal risk is considered in our risk assessments through the SD Risk Assessment Practice and Climate Risk Assessment, but may not be applicable to all business units.
Market	Relevant, always included	Market risk is considered in our risk assessments through our scenario analysis. Our carbon-constrained scenarios illustrate a range of demand and supply implications. ConocoPhillips has four Corporate scenarios and four carbon scenarios described in the Climate Change section of our website: http://www.conocophillips.com/environment/climate-change/climate-change-strategy/carbon-scenarios/ .
Reputation	Relevant, always included	Reputation is considered in our risk assessments through the SD Risk Assessment Practice and Climate Risk Assessment. For example, we consider that reputation could affect community support and the ability to attract a talented workforce. Reputational impacts are managed through our Stakeholder Engagement Action Plan and investor engagement strategy.
Acute physical	Relevant, always included	Acute physical risk is considered in our risk assessments through the SD Risk Assessment Practice and Climate Risk Assessment. For example, we consider the impact of increased severe weather events to our projects and operations in our SD risk assessments, which are required by all operating business units and projects.
Chronic physical	Relevant, always included	Chronic physical risk is considered in our risk assessments through the SD Risk Assessment Practice and Climate Risk Assessment. For example, we consider the impact of changes in sea levels to our projects and operations in our SD risk assessments, which are required by all operating business units and projects. Change in temperature extremes could impact facilities located in Arctic regions due to excessive warm spells reducing the ice road season and reducing construction time. Planning for ice roads can be read about here: http://www.conocophillips.com/spiritnow/all-spiritnow-stories/story/ice-roads-the-western-north-slope-s-frozen-foundation/ .
Upstream	Relevant, always included	Upstream is considered in our risk assessments through the SD Risk Assessment Practice and Climate Risk Assessment. For example, we consider loss of access to suppliers due to the physical effects of climate change in our SD risk assessments, which are required by all operating business units and projects.
Downstream	Relevant, always included	Downstream is considered in our risk assessments through the SD Risk Assessment Practice and Climate Risk Assessment. For example, we consider loss of access to infrastructure and markets due to the physical effects of climate change in our SD risk assessments, which are required by all operating business units and projects.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

The company develops strategies and specific action plans to address priority issues. The planning process is designed to prompt appropriate action for adapting to a range of possible future scenarios. Risks and opportunity management processes are applied at both the company and asset level through the development of the corporate Climate Change Action Plan, refreshed annually during the company's long-range planning process; and the business unit or major asset Climate Change Management Plans. The corporate plan identifies company-wide risks and opportunities and adopts a consistent approach to manage the risk across the company. The business unit plans identify specific risks to individual business units or assets, in addition to the risks and opportunities identified in the corporate plan and adopt an appropriate approach to manage the risks within the business unit or asset. By identifying major, cross-cutting risks and trends, we can closely link action plan efforts to focus on key performance issues and address identified risks. This also creates a link to the company-wide Enterprise Risk Management (ERM) system which, like significant SD risk and mitigation actions, is shared at the board level.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Mandates on and regulation of existing products and services

Type of financial impact driver

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company-specific description

Product efficiency regulations and standards - Bitumen from Oil Sands assets represents 5% of ConocoPhillips' net proved reserves as of December 31, 2017. Two regulations issued by the Alberta government in 2007 under the Climate Change and Emissions Act require any existing facility with emissions equal to or greater than 100,000 metric tons of carbon dioxide or equivalent per year to reduce the net emission intensity. The reduction requirement increased from 12 percent in 2015, to 15 percent in 2016, to 20 percent in 2017. The cost of compliance and investment in emissions intensity reductions will continue to influence decisions in our Canada Business Unit.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Low

Potential financial impact

3750000

Explanation of financial impact

2017 cost of compliance was approximately US\$3 million. The estimated financial impacts represents a 25% increase in current costs.

Management method

Our focus is on energy efficiency and implementing technologies that can reduce carbon intensity. We are evaluating technology opportunities for existing and new facilities, and purchasing carbon offsets. For example, Flow Control Devices (FCDs) support even steam distribution into the reservoir and help prevent steam production into the well that could damage the liner and cause it to fail. FCDs may also improve Steam Oil Ratio (SOR) by 10 percent. Using less steam helps us reduce SOR and therefore greenhouse gas intensity. As a founding member of the Oil Sands Leadership Initiative and the Canadian Oil Sands Innovation Alliance (COSIA), we have demonstrated both leadership and willingness to collaborate in the development of new technologies, expected to accelerate the reduction of GHG emissions across the sector. We participate in the regional emissions reduction scheme in the province of Alberta and manage a number of compliance mechanisms of that program: • Making internal improvements to operations to reduce emissions; • Purchasing or using Emission Performance Credits; • Purchasing Alberta-based offset credits; and Contributing to the Climate Change and Emissions Management Fund.

Cost of management

0

Comment

Cost of management is integrated into our cost structure. Please note: We included risks in this section which were most straightforward to quantify. Other risks that may become material include: general environmental regulations, international agreements, technology, changes in temperature extremes, and reputation.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact driver

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

Carbon taxes in certain jurisdictions including Norway. In 2017, Norway production made up 10% of total company production.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Potential financial impact

37500000

Explanation of financial impact

2017 cost of compliance US\$29 million net share before tax in Norway plus \$1 million net share before tax for compliance with the British Columbia and Alberta Operations carbon tax. Financial implications depend on timing, amount, and amount of pass-through to consumer. The estimated financial impacts represents a 25% increase in current costs.

Management method

In our Norway Business Unit, we set specific actions to study emission reduction opportunities. Furthermore, we run economics with full CO2 tax and quota cost. For projects in jurisdictions without carbon taxes, or taxes <\$40/tonne, we run a \$40/tonne sensitivity to evaluate the economics of a possible carbon tax.

Cost of management

0

Comment

Cost of management is integrated into our cost structure. Please note: We included risks in this section which were most straightforward to quantify. Other risks that may become material include: general environmental regulations, international agreements, technology, changes in temperature extremes, and reputation.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact driver

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

Cap and trade programs in certain jurisdictions, including the EU Emissions Trading Scheme, influence our business decisions in Europe. Oil, NGLs, and natural gas from Europe assets represent 10% of ConocoPhillips' net proved reserves as of December 31, 2017.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Low

Potential financial impact

1875000

Explanation of financial impact

2017 cost of compliance US\$1.5 million net share before tax. Financial implications depend on timing, amount, and amount of pass-through to consumer. The estimated financial impacts represents a 25% increase in current costs.

Management method

Since 2005, ConocoPhillips facilities across Europe have participated in the European Union's emissions-trading program (ETS). Our Commercial organization trades allowances on the secondary market exchanges.

Cost of management

0

Comment

Cost of management is integrated into our cost structure. Please note: We included risks in this section which were most straightforward to quantify. Other risks that may become material include: general environmental regulations, international agreements, technology, changes in temperature extremes, and reputation.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Please select

Type of financial impact driver

Please select

Company- specific description

Some ConocoPhillips assets in the U.S have identified storm severity as a risk in future operations based on previous storms and flooding. Science suggests that extreme weather events may be more intense or more frequent in the future. ConocoPhillips has operations in coastal regions and areas susceptible to typhoons or hurricanes. For example, our Gulf Coast BU production made up 11% of our production in 2017.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Potential financial impact

18500000

Explanation of financial impact

The costs associated with interrupted operations will depend on the duration and severity of any physical event and the damage and remedial work to be carried out. Financial implications could be caused business interruption, damages or loss of production uptime, delayed access to resource, and/or delayed access to market. For example, if all Gulf Coast production was shut down for 3 days, it would lead to \$18.5MM in lost revenue based on the 2017 average realized price of \$39.19/BOE. It is important to note duration of the shut down depends on the length and magnitude of the storm, and not all production will be equally affected. Gulf Coast assets further inland (e.g., Eagle Ford) are likely less susceptible to hurricanes than assets in the Gulf of Mexico.

Management method

Our Incident Management Team has developed a Crisis Management System to manage before, during, and after a storm event. Our SD Risk Assessment Tool and Climate Risk Assessment list physical climate parameters, so BUs must address the risk if applicable. Business resiliency planning helps the company prepare to mitigate potential impacts of a changing climate in a cost-effective manner. The key elements of this process include: • Identifying the risks and business opportunities associated with the physical impacts of changing climate, • Identifying physical impacts of greatest concern, • Identifying potential technologies and solutions to mitigate risks and take advantage of opportunities. Adaptation will not reduce the frequency or magnitude of events related to changing climate but will increase the resiliency of our business to events such as drought, hurricanes and flooding. ConocoPhillips conducted workshops with business units in regions which cover a broad representation of resiliency risks to establish, on an informed basis, future programs and actions based on projected physical changes to the operating environment. The business units were the Texas/Louisiana Gulf Coast, Arctic Canada, Canada Oil Sands, Australia North & West (including offshore) and North Slope Alaska. The results were discussed within each business to determine the appropriate follow up actions and to integrate those changes into each business unit's Climate Change Action

Cost of management

0

Comment

Cost of management is integrated into our cost structure. Please note: We included risks in this section which were most straightforward to quantify. Other risks that may become material include: general environmental regulations, international agreements, technology, changes in temperature extremes, and reputation.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact driver

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company- specific description

Product efficiency regulations and standards - Research and development opportunities may lead to lower carbon intensity products. Bitumen from Oil Sands assets represents 5% of ConocoPhillips' net proved reserves as of December 31, 2017. Two regulations issued by the Alberta government in 2007 under the Climate Change and Emissions Act require any existing facility with emissions equal to or greater than 100,000 metric tons of carbon dioxide or equivalent per year to reduce the net emission intensity. The reduction requirement increased from 12 percent in 2015, to 15 percent in 2016, to 20 percent in 2017.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Low

Potential financial impact

750000

Explanation of financial impact

2017 cost of compliance for Alberta SGER was approximately US\$3 million. The estimated financial impacts represents a 25% decrease in current costs due to emission reduction measures.

Strategy to realize opportunity

Our focus is on energy efficiency and implementing technologies that can reduce carbon intensity. We are evaluating technology opportunities for existing and new facilities, and purchasing carbon offsets. For example, Flow Control Devices (FCDs) support even steam distribution into the reservoir and help prevent steam production into the well that could damage the liner and cause it to fail. FCDs may also improve Steam Oil Ratio (SOR) by 10 percent. Using less steam helps us reduce SOR and therefore greenhouse gas intensity. As a founding member of the Oil Sands Leadership Initiative and the Canadian Oil Sands Innovation Alliance (COSIA), we have demonstrated both leadership and willingness to collaborate in the development of new technologies, expected to accelerate the reduction of GHG emissions across the sector. We participate in the regional emissions reduction scheme in the province of Alberta and manage a number of compliance mechanisms of that program: • Making internal improvements to operations to reduce emissions; • Purchasing or using Emission Performance Credits; • Purchasing Alberta-based offset credits; and Contributing to the Climate Change and Emissions Management Fund.

Cost to realize opportunity

0

Comment

Cost of management is integrated into our cost structure. Please note: We included opportunities in this section which were most straightforward to quantify. Other opportunities that may become material include: changes in precipitation extremes and droughts (incentives for water recycling); reputation.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact driver

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company- specific description

Carbon taxes in certain jurisdictions including Norway may incentivize energy efficiency projects. In 2017, Norway production made up 10% of total company production.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Potential financial impact

7500000

Explanation of financial impact

2017 cost of compliance US\$29 million net share before tax in Norway plus \$1 million net share before tax for compliance with the British Columbia and Alberta Operations carbon tax. The estimated financial impacts represents a 25% decrease in current costs due to emission reduction measures.

Strategy to realize opportunity

In our Norway Business Unit, we set specific actions to study emission reduction opportunities. We also evaluate other opportunities using the Marginal Abatement Cost Curve, which calculates a “breakeven cost of carbon” for each emission reduction project that is evaluated by the Executive Leadership Team.

Cost to realize opportunity

0

Comment

Cost of management is integrated into our cost structure. Please note: We included opportunities in this section which were most straightforward to quantify. Other opportunities that may become material include: changes in precipitation extremes and droughts (incentives for water recycling); reputation.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact driver

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company- specific description

Cap and trade schemes - Individual government climate change regulations such as the EU ETS and Australian Clean Energy Legislation establish regional carbon markets and incentive some energy efficiency projects. Cap and trade programs in certain jurisdictions, including the EU Emissions Trading Scheme, influence our business decisions in Europe. Oil, NGLs, and natural gas from Europe assets represent 10% of ConocoPhillips' net proved reserves as of December 31, 2017.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Low

Potential financial impact

375000

Explanation of financial impact

2017 cost of compliance in the EU ETS was US\$1.5 million net share before tax. The estimated financial impacts represents a 25% decrease in current costs due to emission reduction measures.

Strategy to realize opportunity

Since 2005, ConocoPhillips facilities across Europe have participated in the European Union's emissions-trading program (ETS). Our Commercial organization trades allowances on the secondary market exchanges. We also evaluate opportunities using the Marginal Abatement Cost Curve, which calculates a "breakeven cost of carbon" for each emission reduction project that is evaluated by the Executive Leadership Team.

Cost to realize opportunity

0

Comment

Cost of management is integrated into our cost structure. Please note: We included opportunities in this section which were most straightforward to quantify. Other opportunities that may become material include: changes in precipitation extremes and droughts (incentives for water recycling); reputation.

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Please select

Type of financial impact driver

Please select

Company- specific description

International agreements such as the Kyoto and Durban Protocol have the potential to establish a global carbon market. Oil, NGLs, and natural gas from Europe assets represent 10% of ConocoPhillips' net proved reserves as of December 31, 2017. Additionally, the Clean Energy Regulator in Australia has established the Emission Reduction Fund. We currently operate two LNG plants in Australia, Darwin LNG and Australia Pacific LNG.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Potential financial impact

600000

Explanation of financial impact

Based on the average cost of an Australia Carbon Credit Unit (ACCU) (<http://www.cleanenergyregulator.gov.au/DocumentAssets/Documents/Sourcing%20ACCUs%20in%20the%20market.pdf>) and the 100,000 abated through our WALFA project (West Arnhem Land Fire Abatement), the opportunity of avoided abatement costs is \$0.6 million assuming our credit generation costs 50% of the average ACCU. This opportunity could increase significantly with new emission reduction projects and methodologies, and also depends on baselines set by regulations.

Strategy to realize opportunity

We have established trading groups, policies and procedures in each major carbon market and can transfer and leverage this expertise in new markets as they are established. We continue to invest in projects and methodologies in Australia that not only lower emissions but provide employment, such as WALFA.

Cost to realize opportunity

0

Comment

Cost of management is integrated into our cost structure. Please note: We included opportunities in this section which were most straightforward to quantify. Other opportunities that may become material include: changes in precipitation extremes and droughts (incentives for water recycling); reputation.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Not yet impacted	Our products and services have not yet been materially impacted by climate change risks and opportunities. Compliance with changes in laws and regulations that create a GHG tax, emission trading scheme or GHG reduction policies could significantly increase our costs, reduce demand for fossil energy derived products, impact the cost and availability of capital and increase our exposure to litigation. Such laws and regulations could also increase demand for less carbon intensive energy sources, including natural gas. Demand for our products may also be adversely affected by conservation plans and efforts undertaken in response to global climate change, including plans developed in connection with the Paris climate conference in December 2015. Many governments also provide, or may in the future provide, tax advantages and other subsidies to support the use and development of alternative energy technologies. Our operations and the demand for our products could be materially impacted by the development and adoption of these technologies. We continue to monitor climate-related risks and opportunities related to our products and services.
Supply chain and/or value chain	Not yet impacted	Our supply chain and value chain have not yet been materially impacted by climate change risks and opportunities. ConocoPhillips engages with suppliers on the environmental and social aspects of their operations and their supply chains through our procurement processes. Through these efforts, we communicate our expectations and priorities related to issues including energy use, GHG management, and environmental supply chain risks, as well as identify opportunities for improvement and collaboration with our suppliers. We engage with our suppliers on these issues during each step of the procurement process from supplier pre-qualification through supplier performance evaluation. We engage customers through membership in several trade associations that address climate change through working groups and task forces such as IPIECA, which includes businesses downstream of ConocoPhillips as well as suppliers. We continue to monitor climate-related risks and opportunities related to our supply chain and value chain.

	Impact	Description
Adaptation and mitigation activities	Not yet impacted	Adaptation and mitigation activities have not yet been materially impacted by climate change risks and opportunities. Although our business operations are designed and operated to accommodate expected climatic conditions, to the extent there are significant changes in the Earth's climate, such as more severe or frequent weather conditions in the markets we serve or the areas where our assets reside, we could incur increased expenses, our operations could be materially impacted, and demand for our products could fall. Business resiliency planning is a process that helps us prepare to mitigate potential impacts of a changing climate in a cost-effective manner. We conducted workshops on resiliency risks in key business units to establish future actions based on projected physical changes to the operating environment. Business units in Texas and the Gulf Coast, Arctic Canada, Canada Oil Sands, Australia North and West (including offshore), and North Slope Alaska participated. These business units are integrating results into their climate change management plans. We continue to monitor climate-related risks and opportunities related to adaptation and mitigation.
Investment in R&D	Impacted	Our strategy around and investment in R&D has been impacted by climate change risks and opportunities. Technology will play a big role in addressing GHG emissions, whether fugitive emissions or the energy intensity of our operations or value chain. For example, in Canada we are sponsoring the XPRIZE to support development of innovative ways to reuse carbon associated with steam generation in the oil sands. As a result of our strategy and scenario work, we decided to focus near-term technology investments on reducing both costs and emissions where feasible, such as improving the steam-to-oil ratio in the oil sands. R&D efforts include a pilot demonstration of non-condensable gas co-injection and implementation of flow control device program. We also monitor for potential disruptive technologies that might impact the market for oil and gas. Our technology organization is responsible for monitoring new technologies.
Operations	Impacted	Our strategy and business in operations have been impacted by climate change risks and opportunities. Our operations groups look for energy efficiency projects and submit these for consideration during the Long Range Planning process through the Marginal Abatement Cost Curve. For example, gas-driven pneumatic pumps are being replaced with air-driven pumps in Utah, reducing vented gas and increasing gas sales. It's also important to think about our day-to-day operations and everyday decisions that we make (deciding how we manage flaring, drilling and completions, rotating equipment). By having a sharper focus on energy use as part of our everyday decisions, we can reduce costs, emissions, and cost of supply. Operations can also be affected by carbon regulation. There has been a broad range of proposed or promulgated state, national and international laws focusing on greenhouse gas (GHG) reduction. Laws in this field continue to evolve, and while it is not possible to accurately estimate either a timetable for implementation or our future compliance costs relating to implementation, such laws, if enacted, could have a material impact on our results of operations and financial condition.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	Financial planning for revenue has been impacted by climate change risks and opportunities. By using our own energy planning model, we gain insight into various scenarios impacting future supply, demand and prices of key commodities. This enables us to understand the range of risk around commodity prices, and the price risk associated with various GHG reduction scenarios.
Operating costs	Impacted	Financial planning for operating costs has been impacted by climate change risks and opportunities. For all of our project decisions we either build a carbon price into the base case economic evaluation or we run a sensitivity to test our projects against possible future carbon pricing. This is in addition to scenario planning which tests our projects against a range of commodity prices that simulate differing future supply and demand balances. The company uses an estimated market cost of GHG emissions of \$40 per metric tonne to evaluate future and opportunities.
Capital expenditures / capital allocation	Impacted	Financial planning for capital expenditures and capital allocation has been impacted by climate change risks and opportunities. We test our current portfolio of assets and investment opportunities against these future prices and see where weaknesses may exist, assisting with our capital allocation. As a result of our strategy and scenario work, we have focused capital on shorter-cycle projects and lower cost of supply. From an exploration and business development perspective, we consider long-term opportunities in light of their carbon footprint. For example, in 2017 we evaluated an international gas development opportunity in a discovered field. The field had high native CO2 content, so when we tested it against the \$40/tonne sensitivity price, it was economically challenged. There were no practical offsets to apply, nor did the environment lend itself to Carbon Capture and Storage. As a result of a number of factors, including carbon price sensitivity, we decided not to move forward with the project.

	Relevance	Description
Acquisitions and divestments	Impacted	Financial planning for acquisitions and divestment has been impacted by climate change risks and opportunities. Business development decisions take into account the impact to our portfolio from a financial, operational, and sustainability aspect. In our Long Range Planning process, we run sensitivities on our carbon intensity based on possible acquisitions, divestments, and project decisions. We focus on cost of supply to account for lower and more volatile product prices and possible carbon taxes.
Access to capital	Impacted	Financial planning for access to capital has been impacted by climate change risks and opportunities. We consider how our relative ESG ranking could affect our standing with investors and the financial sector, including banks and credit rating agencies. Our engagement with investors has focused on climate change in one-on-one meetings and conferences such as the Interfaith Center on Corporate Responsibility. We have also presented on climate change and sustainability risks to institutions such as Moody's and S&P.
Assets	Impacted	Financial planning for assets has been impacted by climate change risks and opportunities. Scenario analysis and our carbon strategy help build optionality into our strategic plans to help avoid stranded assets. All U.S. publicly traded companies must adhere to a consistent set of regulations that allow investors to evaluate and compare investment choices. We fully comply with such rules and regulations, including for reporting oil and gas reserves. We have also increased our disclosure over the years to offer investors and stakeholders additional insights into the processes and procedures we use to manage climate-related risks, including carbon asset risk. Key elements of our carbon asset risk management process include: Considering a range of possible future carbon-constraint scenarios; Developing strategic alternatives to manage shareholder value in a future with uncertain carbon constraints. ; Testing strategies and asset portfolios in various scenarios; Developing actionable insights and incorporating actions into the corporate Long-Range Plan and Climate Change Action Plan.
Liabilities	Impacted	Financial planning for liabilities has been impacted by climate change risks and opportunities. We consider environmental fines or litigation when planning liabilities, and disclose material liabilities in our SEC 10-K report.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b)

(C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b) Indicate whether your organization has developed a low-carbon transition plan to support the long-term business strategy.

Yes

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

Sustainable development requirements are integrated into the key business planning processes for the company:

- Long Range Plan
- Capital Project Development and Program Authorization
- Health, Safety and Environment Management System
- New Country Entry

Our climate change strategy is designed to prepare the company to succeed in a world challenged to reduce greenhouse gas (GHG) emissions. We implemented a corporate climate change action planning process to put our strategy into action and manage GHG emissions. The planning process encompasses adaptation to physical changes in climate. We consider a range of external insights as we evaluate and plan actions to address climate-related issues in our businesses and functions. We routinely test our investment decisions and business strategies against a range of low carbon scenarios in our strategic scenario planning process. We build a ranked list of internal GHG reduction projects with volumes and cost as part of our Long Range Planning process and we test each major investment decision against a carbon pricing sensitivity. The climate change risks and opportunities of each project are captured and managed at an early stage of development.

We link strategy to climate change goals through our action plans. Our corporate action plan focuses on the following areas:

- Understanding our GHG footprint
- Reducing our GHG emissions
- Evaluating climate change related risks
- Leveraging technology innovation to explore new business opportunities
- Engaging externally in support of practical, sustainable climate change solutions
- Reviewing progress and updating business unit climate change management plans

ConocoPhillips uses scenario planning to guide its strategic decisions. Our climate change scenario work, which extends to 2035, and IEA and IPCC scenarios indicate that climate change related policies and other implications will have a range of impact for our industry over the coming decades. A lower-carbon future is therefore considered in the development of our strategic plan, performance against which is assessed in both our VCIP and PSP by the Human Resources and Compensation Committee.

C3.1d

(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios	Details
Other, please specify (4 internal scenarios; 3 align w/IEA450)	<p>We developed four carbon-constrained scenarios, which define pathways to possible carbon constrained futures with a mix of technology advancement and government policy actions. With the exception of Scenario 3, these scenarios were developed to achieve a pathway commensurate with the IPCC’s scenario of achieving a near 50 percent chance of limiting the increase in global average temperature by 2°C. The scenario model currently extends to 2040 and applies to our portfolio’s Long Range Plan. This timing aligns with our long-term planning time horizon. Technology: The scenarios cover a range of technology outcomes. One includes rapid technology development with a small carbon price introduced by governments to kick-start technology advancement. The technological progress accelerates the development and uptake of electric cars, battery storage, smart grids and renewable power, all of which reduce greenhouse gas emissions. In another, the technological transformation is so rapid that CO2 capture and storage is not required. New technology adoption could also be slower if internal security (including trade and energy security) was considered to be more urgent than emissions reduction. Legislation and Regulation: Government policies can change at different rates and can manifest in different ways. Legislation could take the form of global agreements to limit GHG emissions primarily through linked carbon pricing mechanisms and assisted by technological innovations. This could drive the development of lower cost renewable power and carbon capture and storage. Governments could also respond to slower development of technology and costlier alternatives by introducing command and control measures, such as renewable portfolio standards, to force higher cost technologies into the mix. Demand Changes: The different scenarios illustrate a range of demand implications. In a scenario with energy security concerns, there could be expansion of energy efficiency, renewables and nuclear power in countries that do not have access to domestic energy sources and the use of fossil fuels, especially coal, in those with domestic supply. In situations with a growing carbon price, incentivizing coal-to-gas fuel switching, efficiency improvement and renewables would be expected. This could also increase natural gas demand. In some cases, gas demand stays higher for longer given more rapid reductions in use of coal in power generation, and in other cases, gas demand change is more modest. Oil demand and demand reductions vary in different scenarios. In scenarios with technology breakthroughs (e.g., power storage), energy efficiency improvements and adoption of alternatives to oil and gas are more accelerated. GDP growth also varies as cost of emissions reductions and energy system changes vary. As a result of our strategy and scenario work, we decided to take the following actions, as reflected in our Climate Change Action Plan: • Prepare for diverse portfolio and policy environments. • Monitor global regulation and legislation developments and engage appropriately. • Identify and fund profitable emissions reduction projects, such as methane emission reductions. • Continue the use of a Marginal Abatement Cost Curve (MACC) in Long Range Planning. • Focus near-term technology investments on reducing both costs and emissions where feasible, for example improving the steam-to-oil ration in oil sands extraction. • Monitor for potential disruptive technologies that might impact the market for oil and gas.</p>

C-AC3.1e/C-CE3.1e/C-CH3.1e/C-CO3.1e/C-EU3.1e/C-FB3.1e/C-MM3.1e/C-OG3.1e/C-PF3.1e/C-ST3.1e/C-TO3.1e/C-TS3.1e

(C-AC3.1e/C-CE3.1e/C-CH3.1e/C-CO3.1e/C-EU3.1e/C-FB3.1e/C-MM3.1e/C-OG3.1e/C-PF3.1e/C-ST3.1e/C-TO3.1e/C-TS3.1e) Disclose details of your organization’s low-carbon transition plan.

Our carbon strategy takes into account the evolution of different scenarios. It has built-in optionality to change and adapt in order to mitigate risk. We hold quarterly meetings to review our Corporate Scenario Monitoring System and Carbon Scenario Monitoring System, and the results are regularly shared at the Executive Leadership Team level and periodically with the Board. The objective of our climate change strategy is to manage risk, optimize opportunities and equip the company to respond to changes in key uncertainties, including changing global government policies, and new technology impacting emission reduction and alternative energy. As a result of our strategy and scenario work, we decided to take the following actions, as reflected in our Climate Change Action Plan:

- Prepare for diverse portfolio and policy environments.
- Monitor global regulation and legislation developments and engage appropriately.
- Identify and fund profitable emissions reduction projects, such as methane emission reductions.
- Continue the use of a Marginal Abatement Cost Curve (MACC) in Long Range Planning.
- Focus near-term technology investments on reducing both costs and emissions where feasible, for example improving the steam-to-oil ration in oil sands extraction.
- Monitor for potential disruptive technologies that might impact the market for oil and gas.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Scope

Scope 1+2 (location-based)

% emissions in Scope

99

% reduction from baseline year

10

Metric

Metric tons CO₂e per barrel of oil equivalent (BOE)

Base year

2016

Start year

2018

Normalized baseline year emissions covered by target (metric tons CO₂e)

26200000

Target year

2030

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

% achieved (emissions)

0

Target status

New

Please explain

We set a long-term target to reduce our GHG emissions intensity between 5 and 15% by 2030. The 10% reduction shown in the question above is the average of this range, which will narrow over time. The intensity baseline is based on our operations at the start of 2017, which is best represented by 2016 emissions (see page 13 of 2017 Sustainability Report - 26.2 MM tonnes is our 2016 emissions total not including Marine, Aviation, and Exploration from Gulf of Mexico and Senegal. We are in the process of confirming this baseline with our business units). Our performance will be based on gross operated greenhouse gas emissions, stated in CO2e, divided by our gross operated production, stated in barrels of oil equivalent. The target is set in relation to our gross operated emissions as these are the emissions over which we have the most control. The target applies to both Scope 1 emissions and Scope 2 emissions. There are similarities in the way that we have framed the target to the way the Paris Agreement has been framed. The Paris process uses 'Nationally Determined Contributions' (NDCs) to set interim performance targets that are reviewed on a five-year basis to move toward achieving the agreement's objective. We intend to review and adjust our performance target in a similar way. The 10% change in absolute emissions in the question below assumes we invest capital to sustain production and pay existing dividend, representing the possibility that production stays flat. However, production growth may lead to an increase in absolute emissions while emissions intensity decreases.

Science-Based Targets require us to include Scope 3 emissions. For E&P companies, the emissions from use of sold products is not in the scope of our control. In terms of specific methodology, the Sectoral Decarbonization Approach has not developed a methodology for the energy sector. Another method, setting targets on an intensity basis using GDP contribution, allows for economic growth. However, there is a high degree of uncertainty of market share in future and it will be difficult for companies to accurately characterize. For the oil and gas industry, earnings are highly dependent on oil price and can change dramatically from year to year. We also typically report emissions on a gross operated basis, while earnings are on a net basis.

% change anticipated in absolute Scope 1+2 emissions

-10

% change anticipated in absolute Scope 3 emissions

0

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

C-OG4.2a

(C-OG4.2a) Explain, for your oil and gas production activities, why you do not have a methane-specific emissions reduction target or do not incorporate methane into your targets reported in C4.2; and forecast how your methane emissions will change over the next five years.

Methane is incorporated into our long-term GHG intensity target. We prioritize GHG emissions with the lowest \$/tonne cost of abatement, so with a Global Warming Potential of 25, methane emissions projects are often considered. For example, in our 2016 Marginal Abatement Cost Curve, 83% of projects were methane emission reduction projects. Over the past 5 years, our methane emissions have decreased 74%, or 5.4MM tonnes CO2e on an absolute basis. Our methane intensity has decreased significantly as well.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	4	51000
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Activity type

Energy efficiency: Processes

Description of activity

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

23000

Scope

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

800000

Investment required (unit currency – as specified in CC0.4)

0

Payback period

Estimated lifetime of the initiative

16-20 years

Comment

Focus on energy efficient operations in Norway - savings calculation uses \$/tonne based on Norway carbon taxes (page 63 Annual Report - net share before tax) divided by COPSAS (ConocoPhillips Skandinavia AS) scope 1 emissions

Activity type

Energy efficiency: Processes

Description of activity

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

6000

Scope

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

40000

Investment required (unit currency – as specified in CC0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

16-20 years

Comment

Process efficiency at Teesside terminal – savings calculation uses \$/tonne based on EU ETS cost of compliance (page 63 Annual Report - net share before tax) divided by EU ETS allowances purchased.

Activity type

Energy efficiency: Processes

Description of activity

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

11000

Scope

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

50000

Investment required (unit currency – as specified in CC0.4)

21600000

Payback period

Please select

Estimated lifetime of the initiative

16-20 years

Comment

Flow control device installation to lower steam oil ratio in Canada Oil Sands. Savings calculation uses \$/tonne based on SGER (Specified Gas Emitters Regulation) cost of compliance (page 63 Annual Report) divided by allowances purchased. The figure does not include increased bitumen recovery, which results from improved steam oil ratio.

Activity type

Process emissions reductions

Description of activity

Please select

Estimated annual CO2e savings (metric tonnes CO2e)

11000

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

700000

Investment required (unit currency – as specified in CC0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

16-20 years

Comment

Flaring reduction in Lower 48 – savings calculation uses average natural gas price in 2017 (page 3 Annual Report) multiplied by flaring reduction in MCF.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	ConocoPhillips meets or exceeds regulations in countries in which it operates.
Financial optimization calculations	Energy efficiency and GHG reduction projects compete for capital with all other investment opportunities.
Marginal abatement cost curve	BU emission reduction projects are compiled into a marginal abatement cost curve for management planning.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

Natural Gas for Electric Power Generation: In 2017, the Company supplied consumers with roughly 1.2 Trillion cubic feet (3.270 BCF/day) of natural gas. To put this production volume in perspective, if all the natural gas ConocoPhillips produced in 2017 had been used to replace coal for electricity generation, GHG emissions would have been reduced by approximately 63 million metric tons - more than double the company's combined Scope 1 and 2 emissions for the year.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Reduction vs. coal in power generation)

% revenue from low carbon product(s) in the reporting year

20

Comment

Level of aggregation

Product

Description of product/Group of products

LNG Process Technology: ConocoPhillips licenses the Optimized Cascade® Process technology for liquid natural gas (LNG) production and pioneered its use with aero derivative gas turbines. Together, the process and turbine technology achieve a 20% reduction in CO2 emissions compared with competing LNG technologies. ConocoPhillips currently operates a 3.5MTPA (million tons per annum) LNG facility in Darwin, Australia. Near Gladstone, Australia, two fully subscribed 4.5 MTPA LNG trains have been completed. The ConocoPhillips Optimized Cascade® Process is licensed and used in plants located throughout the world.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Observed performance)

% revenue from low carbon product(s) in the reporting year

Comment

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from oil and gas production activities.

We design infrastructure and operate in a manner that protects air quality and reduces emissions. During drilling and hydraulic fracturing, we use closed-loop or reduced emissions completion techniques, which capture natural gas at the wellhead. Portable equipment and central gathering and distribution systems separate and collect the gas (mostly methane), solids (mainly proppant sand), and crude oil. This process enables us to significantly decrease venting and flaring. Whenever technically and practically feasible, we use central gathering systems to direct natural gas to sales pipelines.

Methane is incorporated into our long-term GHG intensity target. We prioritize GHG emissions with the lowest \$/tonne cost of abatement, so with a Global Warming Potential of 25, methane emissions projects are often considered. For example, in our 2016 Marginal Abatement Cost Curve, 83% of projects were methane emission reduction projects. Over the past 5 years, our methane emissions have decreased 74%, or 5.4MM tonnes CO₂e on an absolute basis. Our methane intensity has decreased significantly as well.

COG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

Reducing emissions, even the small releases known as “fugitive emissions,” is a crucial aspect of our Global Onshore Well Management Principles and, where appropriate, we use technology to help. While there are differing methods and many measurement points, estimates of pre-plant natural gas leakage rates vary widely, from 0.7-2.6 percent. We estimate our emissions using regulatory approved methods that include engineering calculations and source specific EPA, state agency or IPCC Tier 3 emission factors. We continue to take actions on a voluntary basis to reduce greenhouse gas (GHG) emissions where it makes environmental and economic sense. We are evaluating options for future targets and incentives that effectively progress environmental footprint reduction as a mindset of our operations. We have standard operating procedures to detect and repair leaks. Audio-visual-olfactory (AVO) inspections are routinely performed during operator rounds to identify any leaks or other issues. Leak detection and repair (LDAR) is a work practice used to identify and quickly repair leaking components, including valves, compressors, pumps, tanks and connectors, to reduce GHG emissions and increase efficiency. Leak detection and repair is mandated by state or provincial regulations and agreements for our Bakken, Niobrara, some Eagle Ford facilities and Montney assets. Regulations provide specifics on applicable facilities, methods and reporting. At many of our locations, especially high-producing well sites and stand-alone compressor stations, we instituted a periodic voluntary fugitive monitoring program using forward-looking infrared (FLIR) cameras to enhance our LDAR. FLIR cameras create real-time images of gases or liquids leaking from pipes, vessels, tanks and other types of process equipment. FLIR surveys are completed at new or modified well sites and subsequent monitoring surveys are conducted at least annually. We fix leaks as soon as it is feasible and many leaks are repaired either the same day or within a few days of being detected. If additional time is required, we follow standard maintenance processes by adding the required repairs to our maintenance tracking system. After repairs are completed, we inspect the leaks to ensure that the repairs are successful. We implement engineered solutions and/or operational changes if we identify developing trends of systemic hardware problems.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization’s efforts to reduce flaring, including any flaring reduction targets.

Flaring is a regulated and permitted process that can be routine or non-routine.

Non-routine flaring is required to keep our operations safe; it burns off flammable gas released during over-pressuring of equipment or other unplanned events. Flaring can also be used to safely relieve pressure before performing maintenance, which is a requirement for some equipment before isolation or breaking containment. Non-routine flaring is decreased by improving uptime and operational excellence, a major focus for all our facilities.

One of the primary uses of routine flaring is for safety, to control and reduce the emissions of volatile organic compounds from oil and condensate storage tanks. Routine flaring can also occur at remote well sites that lack sufficient pipeline infrastructure to capture gas for sale. Closed-loop completions, central gas gathering systems, vapor recovery units and blowcase installations have all significantly reduced routine flaring.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2013

Base year end

December 31 2013

Base year emissions (metric tons CO2e)

25928475

Comment

Scope 2 (location-based)

Base year start

January 1 2013

Base year end

December 31 2013

Base year emissions (metric tons CO2e)

1625189

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

American Petroleum Institute Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009

IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2nd edition, 2011

US EPA Mandatory Greenhouse Gas Reporting Rule

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Row 1

Gross global Scope 1 emissions (metric tons CO2e)

19333787

End-year of reporting period

<Field Hidden>

Comment

Data is represented as 100 percent ownership interest regardless of actual share owned by ConocoPhillips with acquisitions and divestitures reflected using the effective date of the transaction.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment

Our business units obtain factors from steam or electricity providers when possible. If these are not available, they use factors based on location. We do not have aggregate data for all market-based figures.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based

1219404

Scope 2, market-based (if applicable)

<Field Hidden>

End-year of reporting period

<Field Hidden>

Comment

Data is represented as 100 percent ownership interest regardless of actual share owned by ConocoPhillips with acquisitions and divestitures reflected using the effective date of the transaction.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2214258

Emissions calculation methodology

This emission estimate is based on equity production rates publicly reported in company financial statements and literature-based assumptions on product (i.e. oil, bitumen, NGLs and natural gas) transportation emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

20

Explanation

Based on GHG Protocol, this category includes emissions associated with product (crude oil, bitumen, NGLs and natural gas) transportation which are purchased directly by the company.

Waste generated in operations**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Business travel**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Employee commuting**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Upstream leased assets**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2094052

Emissions calculation methodology

This emission estimate is based on equity production rates publicly reported in company financial statements and literature-based assumptions on product (i.e. oil, bitumen, NGLs and natural gas) transportation emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

20

Explanation

Based on GHG Protocol, this category includes emissions associate with product (crude oil, bitumen, NGLs and natural gas) transportation which are purchased by third parties.

Processing of sold products**Evaluation status**

Relevant, calculated

Metric tonnes CO2e

20335138

Emissions calculation methodology

This emission estimate is based on equity production rates publicly reported in company financial statements and literature-based assumptions on product (i.e. oil, bitumen, NGLs and natural gas) processing emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

40

Explanation

Based on GHG Protocol, this category includes (1) refining of all oil sands and conventional crude to petroleum products, (2) processing of some NGL's into consumer products, (3) processing of naphtha-range liquids (from refined crude oil) into consumer products, (4) processing of some natural gas production into petrochemicals and (5) regasification of LNG to natural gas.

Use of sold products**Evaluation status**

Relevant, calculated

Metric tonnes CO2e

164439141

Emissions calculation methodology

This emission estimate is based on equity production rates publicly reported in company financial statements and literature-based assumptions of product (i.e. oil, bitumen, NGLs and natural gas) yields and combustion emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

80

Explanation

Based on GHG Protocol, this category includes (1) combustion of all fuel products, including still gas, gasoline, kerosene, diesel, resin and coke, (2) combustion of some natural gas liquids for heating and mechanical work and (3) combustion of most natural gas for electricity production, industrial and residential heating.

End of life treatment of sold products**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Downstream leased assets**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Franchises**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Investments**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Other (upstream)**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

Other (downstream)**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Based on review of industry LCA literature in 2013 and industry collaboration to determine material sources of Scope 3 emissions in 2014, ConocoPhillips believes this category is not material (not relevant) because of its size - i.e. we believe it represents less than 0.5% of its total Scope 3 emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0346

Metric numerator (Gross global combined Scope 1 and 2 emissions)

20553192

Metric denominator

barrel of oil equivalent (BOE)

Metric denominator: Unit total

595000000

Scope 2 figure used

Location-based

% change from previous year

12

Direction of change

Decreased

Reason for change

Decrease was due to discretionary emission reduction projects, asset dispositions, and a change in reporting methodology used by one asset.

Intensity figure

0.0006

Metric numerator (Gross global combined Scope 1 and 2 emissions)

20553192

Metric denominator

unit total revenue

Metric denominator: Unit total

32584000000

Scope 2 figure used

Location-based

% change from previous year

42

Direction of change

Decreased

Reason for change

Decrease was due to discretionary emission reduction projects, asset dispositions, a change in reporting methodology used by one asset, and an increase in commodity prices. As we have noted in previous discussions with CDP, calculating intensity using unit of revenue is not relevant information for oil and gas due to significant changes in commodity price. Additionally, such a method divides a gross operated number by a net equity number, yielding data that is not meaningful.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)

Other, please specify (Thousand barrels of oil equivalent)

Metric tons CO2e from hydrocarbon category per unit specified

32.49

% change from previous year

13

Direction of change

Decreased

Reason for change

Decrease was due to discretionary emission reduction projects, asset dispositions, and a change in reporting methodology used by one asset.

Comment

It is not possible to provide separate GHG intensities for hydrocarbon types, as we have noted in previous discussions with CDP. Wells produce oil, gas, and NGLs in varying percentages, and the hydrocarbons are usually processed at the same facility, which causes emissions from generators, flaring, venting, etc. It would not be meaningful to calculate and attribute figures to each hydrocarbon type.

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Oil and gas business division

Upstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division

0.22

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division

0.09

Comment

This year we have changed calculation methodology to align with our peers. In the first column we divide tonnes of methane emitted by tonnes of natural gas production. In the second column we divide tonnes of methane emitted divided by tonnes of hydrocarbon product. Because we are calculating emissions on a gross operated basis, we assume the breakdown of 595 MMBOE gross operated production has the same percentage split as our net production, sourced from our Annual Report. Factors used: 0.1364 tonnes/bbl crude oil and bitumen, 0.0867 tonnes/bbl NGL, 25 toe/mmscf natural gas - yielding a methane intensity of 0.22% and 0.09% for natural gas and hydrocarbon throughput, respectively.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	17379573	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	1907956	IPCC Fourth Assessment Report (AR4 - 100 year)

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
N2O	46258	IPCC Fourth Assessment Report (AR4 - 100 year)

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives (Oil:Total)	0	0	0	In accordance with CDP guidance, this figure is zeroed out because all fugitives are covered by the sub-categories.
Fugitives (Oil: Venting)	205	10944	273806	As previously discussed with CDP, metrics at this level of detail are not meaningful or sometimes even possible for our business. The IPCC's guidelines seem to be intended for oil production where associated gas is vented or flared. For an asset that separates and sells both oil AND gas, which applies to most of our operations, this chart cannot give a meaningful breakdown. We have therefore divided Scope 1 emissions based on the oil (crude + bitumen) and gas (natural gas + NGL) breakdown from our Annual Report.
Fugitives (Oil: Flaring)	514452	3142	592991	As previously discussed with CDP, metrics at this level of detail are not meaningful or sometimes even possible for our business. The IPCC's guidelines seem to be intended for oil production where associated gas is vented or flared. For an asset that separates and sells both oil AND gas, which applies to most of our operations, this chart cannot give a meaningful breakdown. We have therefore divided Scope 1 emissions based on the oil (crude + bitumen) and gas (natural gas + NGL) breakdown from our Annual Report.
Fugitives (Oil: E&P, excluding venting and flaring)	0	0	0	
Fugitives (Oil: All Other)	0	0	0	All "fugitives" (flaring and venting including fugitive emission leaks) are included in the above subcategories. In accordance with CDP guidance this figure is zeroed out, as there are no other types of fugitive emissions that should be captured.
Fugitives (Gas: Total)	0	0	0	In accordance with CDP guidance, this figure is zeroed out because all fugitives are covered by the sub-categories.
Fugitives (Gas: Venting)	187	9957	249121	As previously discussed with CDP, metrics at this level of detail are not meaningful or sometimes even possible for our business. The IPCC's guidelines seem to be intended for oil production where associated gas is vented or flared. For an asset that separates and sells both oil AND gas, which applies to most of our operations, this chart cannot give a meaningful breakdown. We have therefore divided Scope 1 emissions based on the oil (crude + bitumen) and gas (natural gas + NGL) breakdown from our Annual Report.
Fugitives (Gas: Flaring)	468073	2858	539531	As previously discussed with CDP, metrics at this level of detail are not meaningful or sometimes even possible for our business. The IPCC's guidelines seem to be intended for oil production where associated gas is vented or flared. For an asset that separates and sells both oil AND gas, which applies to most of our operations, this chart cannot give a meaningful breakdown. We have therefore divided Scope 1 emissions based on the oil (crude + bitumen) and gas (natural gas + NGL) breakdown from our Annual Report.
Fugitives (Gas: E&P, excluding venting and flaring)	0	0	0	
Fugitives (Gas: Midstream)	0	0	0	
Fugitives (Gas: All other)	0	0	0	All "fugitives" (flaring and venting including fugitive emission leaks) are included in the above subcategories. In accordance with CDP guidance this figure is zeroed out, as there are no other types of fugitive emissions that should be captured.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 emissions (metric tons CO2e)	Comment
Combustion (Oil: Upstream, excluding flaring)	8585322	25875	9256414	As previously discussed with CDP, metrics at this level of detail are not meaningful or sometimes even possible for our business. The IPCC's guidelines seem to be intended for oil production where associated gas is vented or flared. For an asset that separates and sells both oil AND gas, which applies to most of our operations, this chart cannot give a meaningful breakdown. We have therefore divided Scope 1 emissions based on the oil (crude + bitumen) and gas (natural gas + NGL) breakdown from our Annual Report.
Combustion (Gas: Upstream, excluding flaring)	7811334	23542	8421925	As previously discussed with CDP, metrics at this level of detail are not meaningful or sometimes even possible for our business. The IPCC's guidelines seem to be intended for oil production where associated gas is vented or flared. For an asset that separates and sells both oil AND gas, which applies to most of our operations, this chart cannot give a meaningful breakdown. We have therefore divided Scope 1 emissions based on the oil (crude + bitumen) and gas (natural gas + NGL) breakdown from our Annual Report.
Combustion (Refining)	0	0	0	We do not participate in any refining activities.
Combustion (Chemicals production)	0	0	0	We do not participate in any chemical production activities.
Combustion (Electricity generation)	0	0	0	Included in upstream activities.
Combustion (Other)	0	0	0	Included in upstream activities.
Process emissions	0	0	0	We do not participate in any activities requiring feedstocks.
Emission not elsewhere classified				

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Australia	4350922
Canada	3081250
United States of America	6636893
Europe	2276219
Other, please specify (Rest of World)	2988503
Please select	

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Exploration & Production	14913323
Gas Processing	3818181
Other	602283

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions, metric tons CO2e	Comment
Oil and gas production activities (upstream)	19333787	<Field Hidden>	
Oil and gas production activities (downstream)	0	<Field Hidden>	We do not participate in downstream activity.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Australia	339	0	506	0
Canada	472422	0	497287	0
United States of America	711190	0	872909	0
Norway	33086	0	74082	0
Other, please specify (Rest of World)	0	0	0	0
United Kingdom of Great Britain and Northern Ireland	2367	0	4073	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Exploration & Production	1179730	
Gas Processing	4747	
Other	34927	

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Oil and gas production activities (upstream)			1,219,404
Oil and gas production activities (downstream)	0	0	We do not participate in refining activity.

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Field Hidden>		
Other emissions reduction activities	51000	Decreased	0.3	This value is the decrease from "business as usual" emissions and is not additive with other line items versus prior year aggregate emissions. $(20.6 \text{ MM Te CO}_2\text{e Actual Emissions less } 20.651 \text{ MM Te CO}_2\text{e Business as Usual Emissions}) / 20.651 \text{ MM Te CO}_2\text{e Business as Usual Emissions} = 0.3\% \text{ decrease}$
Divestment	7000000	Decreased	26.4	$(19.5 \text{ MM Te CO}_2\text{e} - 26.5 \text{ MM Te CO}_2\text{e}) / 26.5 \text{ MM Te CO}_2\text{e} = 26.4\% \text{ decrease}$. Due to divestment/discontinued operations in Lower 48, Indonesia, and Canada in 2017.
Acquisitions		<Field Hidden>		
Mergers		<Field Hidden>		
Change in output	1400000	Increased	5.3	$(27.9 \text{ MM Te CO}_2\text{e} - 26.5 \text{ MM Te CO}_2\text{e}) / 26.5 \text{ MM Te CO}_2\text{e} = 5.3\% \text{ increase}$. Change in production mix in 2017 included APLNG ramp-up, Surmont 2 ramp up; partially offset due to re-starting CO2 sales.
Change in methodology	300000	Decreased	1.1	$(26.2 \text{ MM Te CO}_2\text{e} - 26.5 \text{ MM Te CO}_2\text{e}) / 26.5 \text{ MM Te CO}_2\text{e} = 1.1\% \text{ decrease}$. Methodology used in Alaska changed to align with regulatory reporting practices.
Change in boundary		<Field Hidden>		
Change in physical operating conditions		<Field Hidden>		
Unidentified		<Field Hidden>		
Other		<Field Hidden>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Please select
Consumption of purchased or acquired steam	Please select
Consumption of purchased or acquired cooling	Please select
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	64332838	64332838
Consumption of purchased or acquired electricity	<Field Hidden>	0	1448857	1448857
Consumption of purchased or acquired heat	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>
Consumption of purchased or acquired steam	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>
Consumption of purchased or acquired cooling	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>
Consumption of self-generated non-fuel renewable energy	<Field Hidden>	0	<Field Hidden>	0
Total energy consumption	<Field Hidden>	0	65781695	65781695

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of steam	Please select
Consumption of fuel for the generation of cooling	Please select
Consumption of fuel for co-generation or tri-generation	Please select

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Distillate Oil

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

4038946

MWh fuel consumed for the self-generation of electricity

3165806

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Field Hidden>

MWh fuel consumed for self-generation of cooling

<Field Hidden>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Field Hidden>

Fuels (excluding feedstocks)

Jet Kerosene

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

143570

MWh fuel consumed for the self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Field Hidden>

MWh fuel consumed for self-generation of cooling

<Field Hidden>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Field Hidden>

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

60150322

MWh fuel consumed for the self-generation of electricity

60150322

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Field Hidden>

MWh fuel consumed for self-generation of cooling

<Field Hidden>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Field Hidden>

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Distillate Oil

Emission factor

75.29

Unit

kg CO2e per million Btu

Emission factor source

https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf

Comment

Distillate fuel oil no. 4 represents fuel used by marine group and non-natural gas fuel used for power generation. Total electricity produced represents total combustion energy generated (electricity, steam, heat, mechanical power). Solar energy produced on-site is not tracked and reported.

Jet Kerosene

Emission factor

72.47

Unit

kg CO2e per million Btu

Emission factor source

https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf

Comment

Aviation.

Natural Gas

Emission factor

53.11

Unit

kg CO2e per million Btu

Emission factor source

https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf

Comment

Natural gas used for power generation. Total electricity produced represents total combustion energy generated (electricity, steam, heat, mechanical power). Solar energy produced on-site is not tracked and reported.

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	63316128	63316128	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Other, please specify (Country-specific renewable shares)

Low-carbon technology type

Please select

MWh consumed associated with low-carbon electricity, heat, steam or cooling

Emission factor (in units of metric tons CO₂e per MWh)

Comment

Country-specific renewable shares as reported in literature. We do not have aggregate market-based data.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Other, please specify (Criteria air pollutant)

Metric value

62200

Metric numerator

Tonnes VOC emissions

Metric denominator (intensity metric only)

% change from previous year

33

Direction of change

Decreased

Please explain

Dispositions in Lower 48, Canada, and Indonesia plus decrease in Marine cargo handled

Description

Other, please specify (Criteria air pollutant)

Metric value

33100

Metric numerator

Tonnes NO_x emissions

Metric denominator (intensity metric only)

% change from previous year

41

Direction of change

Decreased

Please explain

Dispositions in Lower 48, Canada, and Indonesia; fine tuning adjustments of turbines in Australia; completion of offshore drilling projects

Description

Other, please specify (Criteria air pollutant)

Metric value

4200

Metric numerator

Tonnes SOx emissions

Metric denominator (intensity metric only)

% change from previous year

42

Direction of change

Decreased

Please explain

Change in calculation methodology for Lower 48 facility; dispositions in Canada

Description

Waste

Metric value

17500

Metric numerator

MMCF flaring ("waste gases")

Metric denominator (intensity metric only)

% change from previous year

25

Direction of change

Decreased

Please explain

Use of green completions in Lower 48; disposition of onshore assets in Canada and offshore assets in Indonesia; reduction of flaring at second phase of APLNG plant, as the facility transitioned from commissioning and startup through to normal operations

Description

Other, please specify (Produced water recycled/reused)

Metric value

81.1

Metric numerator

Million Cubic Meters

Metric denominator (intensity metric only)

% change from previous year

10

Direction of change

Increased

Please explain

Increased produced water use for steam generation at Surmont 2 and increased produced water injection for enhanced oil recovery in Alaska

C-OG9.2a

(C-OG9.2a) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).

	In-year net production	Comment
Crude oil and condensate, million barrels	219	
Natural gas liquids, million barrels	41	
Oil sands, million barrels (includes bitumen and synthetic crude)	45	
Natural gas, billion cubic feet	1194	

C-OG9.2b

(C-OG9.2b) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.

The recording and reporting of proved reserves are governed by criteria established by regulations of the SEC and FASB. We have company-wide, comprehensive internal policy that governs the determination and reporting of proved reserves. Our proved reserves are disclosed in our SEC 10K, and a more granular breakdown of all reserves can be found in investor slide decks at www.conocophillips.com. Per the ConocoPhillips Reserves Estimation and Accounting Policy, further details about probable, possible, and contingent reserves cannot be reported here.

C-OG9.2c

(C-OG9.2c) Disclose your estimated total net reserves and resource base (million boe), including the total associated with subsidiaries and equity-accounted entities.

	Estimated total net proved + probable reserves (2P) (million BOE)	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)
Row 1			

C-OG9.2d

(C-OG9.2d) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.

	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)
Crude oil / condensate / Natural gas liquids			
Natural gas			
Oil sands (includes bitumen and synthetic crude)			

C-OG9.2e

(C-OG9.2e) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

Development type

Please select

In-year net production (%)

Net proved reserves (1P) (%)

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment

As we have previously noted in discussions with CDP, this is not an effective type of disclosure because the overlap between categories makes it difficult to classify reserves and compare them between companies. It is also not clear how development type signifies risk. An oil sands development could have a large range of emissions intensity based on how the company manages its emissions.

C-C09.6/C-EU9.6/C-OG9.6

(C-C09.6/C-EU9.6/C-OG9.6) Disclose your investments in low-carbon research and development (R&D), equipment, products, and services.

Investment start date

January 1 2013

Investment end date

December 31 2017

Investment area

Equipment

Technology area

Infrastructure

Investment maturity

Large scale commercial deployment

Investment figure

12600000

Low-carbon investment percentage

Please explain

Installation of VRU (vapor recovery units) and VRT (vapor recovery towers) at select sites for gas recovery from product stream.

Investment start date

January 1 2013

Investment end date

December 31 2017

Investment area

Equipment

Technology area

Infrastructure

Investment maturity

Large scale commercial deployment

Investment figure

2800000

Low-carbon investment percentage

Please explain

Installation of thermocouples with flares to be able to detect flare outages to minimize venting of gas to atmosphere

Investment start date

January 1 2017

Investment end date

December 31 2017

Investment area

R&D

Technology area

Other energy efficiency measures in the oil and gas value chain

Investment maturity

Large scale commercial deployment

Investment figure

21600000

Low-carbon investment percentage**Please explain**

Tubing deployed Flow Control Device program (steam-to-oil ratio reduction in the Oil Sands)

C-OG9.7**(C-OG9.7) Disclose the breakeven price (US\$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid/ share buybacks.****C-OG9.8****(C-OG9.8) Is your organization involved in the sequestration of CO2?**

Yes

C-OG9.8a**(C-OG9.8a) Provide, in metric tons CO2, gross masses of CO2 transferred in and out of the reporting organization (as defined by the consolidation basis).**

	CO2 transferred - reporting year (metric tons CO2)
CO2 transferred in	255917
CO2 transferred out	119553

C-OG9.8b**(C-OG9.8b) Provide gross masses of CO2 injected and stored for the purposes of CCS during the reporting year according to the injection and storage pathway.**

Injection and storage pathway	Injected CO2 (metric tons CO2)	Percentage of injected CO2 intended for long-term (>100 year) storage	Year in which injection began	Cumulative CO2 injected and stored (metric tons CO2)
CO2 used for enhanced oil recovery (EOR) or enhanced gas recovery (EGR)	375470	0	January 1 2013	3362131

C-OG9.8c**(C-OG9.8c) Provide clarification on any other relevant information pertaining to your activities related to transfer and sequestration of CO2.**

CO2 is sold to Denbury Resources, Inc and is used for enhanced or tertiary oil recovery and reservoir pressure maintenance in their oil reservoirs in Montana and North Dakota. In 2017, 119,553 tonnes were sold. Cumulative total also includes 130,754 tonnes CO2 from the first two quarters of 2016, which were not reported in last year's CDP response.

Additionally, this year we have included activity at Buckeye East, which uses purchased and recycled CO2 for enhanced oil recovery. In 2017, purchased CO2 used for EOR totaled 255,917 tonnes. We added this figure, along with purchased CO2 back to 2013, to the cumulative total. While more CO2 is injected due to produced gas recycling, we do not include it in question 9.8b because it is unclear how much is permanently stored and how much is recycled through production. The calculation for cumulative totals uses 2013 as the start year, although Buckeye East has used these techniques for over 30 years.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[ConocoPhillips 2017 ERM CVS Assurance Statement FINAL.pdf](#)

Page/ section reference

Page 1. ConocoPhillips has completed independent external assurance for 2017 data with ERM CVS, which was completed in August 2018. We conduct independent third party limited assurance for Scope 1, Scope 2, and Scope 3 emissions annually. Every three years, we also include assurance on criteria air pollutants, waste, liquid hydrocarbon spills, water, and safety metrics. See Assurance Statement for assurance on 2017 data.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[ConocoPhillips 2017 ERM CVS Assurance Statement FINAL.pdf](#)

Page/ section reference

Page 1. ConocoPhillips has completed independent external assurance for 2017 data with ERM CVS, which was completed in August 2018. We conduct independent third party limited assurance for Scope 1, Scope 2, and Scope 3 emissions annually. Every three years, we also include assurance on criteria air pollutants, waste, liquid hydrocarbon spills, water, and safety metrics. See Assurance Statement for assurance on 2017 data.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope

Scope 3- all relevant categories

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Attach the statement

[ConocoPhillips 2017 ERM CVS Assurance Statement FINAL.pdf](#)

Page/section reference

Page 1. ConocoPhillips has completed independent external assurance for 2017 data with ERM CVS, which was completed in August 2018. We conduct independent third party limited assurance for Scope 1, Scope 2, and Scope 3 emissions annually. Every three years, we also include assurance on criteria air pollutants, waste, liquid hydrocarbon spills, water, and safety metrics. See Assurance Statement for assurance on 2017 data.

Relevant standard

ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Energy Use MMBTU)	ERM CVS's assurance methodology, based on the International Standard on Assurance Engagement ISAE 3000 (Revised)	Pages 1-2. Every three years, we include limited third party assurance on criteria air pollutants, waste, liquid hydrocarbon spills, water, and safety metrics. See Assurance Statement for assurance on 2016 data. ConocoPhillips 2016 Assurance Statement ALL INDICATORS FINAL signed JIR.pdf
C9. Additional metrics	Other, please specify (Water Recycle/Reuse)	ERM CVS's assurance methodology, based on the International Standard on Assurance Engagement ISAE 3000 (Revised)	Pages 1-2. Every three years, we include limited third party assurance on criteria air pollutants, waste, liquid hydrocarbon spills, water, and safety metrics. See Assurance Statement for assurance on 2016 data. ConocoPhillips 2016 Assurance Statement ALL INDICATORS FINAL signed JIR.pdf
C9. Additional metrics	Other, please specify (Flaring and criteria air pollutants)	ERM CVS's assurance methodology, based on the International Standard on Assurance Engagement ISAE 3000 (Revised)	Pages 1-2. Every three years, we include limited third party assurance on criteria air pollutants, waste, liquid hydrocarbon spills, water, and safety metrics. See Assurance Statement for assurance on 2016 data.

Disclosure module verification relates to	Data verified	Verification standard	Please explain
			ConocoPhillips 2016 Assurance Statement ALL INDICATORS FINAL signed IIR.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Alberta SGER

Australia ERF Safeguard Mechanism

EU ETS

Other carbon tax, please specify (Norway CT, BC CT, Alberta Carbon Levy)

C11.1b

(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.

Alberta SGER

% of Scope 1 emissions covered by the ETS

16

Period start date

January 1 2017

Period end date

December 31 2017

Allowances allocated

2432173

Allowances purchased

618581

Verified emissions in metric tons CO₂e

3050754

Details of ownership

Other, please specify (Facilities operated by COP in Alberta.)

Comment

Payment is only required where emissions exceed baseline. % emissions covered by ETS takes verified emissions/COP 2017 Scope 1 emissions, which may not align exactly due to methodology and time period.

See page 63 of 2017 Annual Report for 2017 cost of compliance.

Australia ERF Safeguard Mechanism

% of Scope 1 emissions covered by the ETS

22

Period start date

July 1 2016

Period end date

June 30 2017

Allowances allocated

0

Allowances purchased

0

Verified emissions in metric tons CO₂e

4228492

Details of ownership

Other, please specify (Facilities operated by COP in Australia.)

Comment

Payment is only required where emissions exceed baseline. % emissions covered by ETS takes verified emissions/COP 2017 Scope 1 emissions, which may not align exactly due to methodology and time period.

EU ETS**% of Scope 1 emissions covered by the ETS**

11

Period start date

April 1 2017

Period end date

March 31 2018

Allowances allocated

1647186

Allowances purchased

223000

Verified emissions in metric tons CO₂e

2089267

Details of ownership

Other, please specify (Operated by COP in EU (UK, Norway))

Comment

% emissions covered by ETS takes verified emissions/COP 2017 Scope 1 emissions, which may not align exactly due to methodology and time period. See page 63 of 2017 Annual Report for 2017 cost of compliance.

C11.1c

(C11.1c) Complete the following table for each of the tax systems in which you participate.**Other carbon tax, please specify****Period start date**

January 1 2017

Period end date

December 31 2017

% of emissions covered by tax

21

Total cost of tax paid

30000000

Comment

Norway Carbon tax + BC carbon tax + Alberta carbon levy. See page 63 of 2017 Annual Report for 2017 cost of compliance – Our cost of compliance with Norwegian carbon tax legislation in 2017 was approximately \$29 million net share before tax. We also incur a carbon tax for emissions from fossil fuel combustion in our British Columbia and Alberta Operations totaling just over \$1 million net share before-

tax. % emissions covered by tax uses 2017 metrics: gross operated Scope 1 emissions from (Canada + Norway Operations)/COP 2017 Scope 1 emissions, which may not align exactly due to methodology and time period.

C11.1d

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

For the facilities we operate, our strategy is to invest in on-site energy efficiency projects to directly reduce GHG emissions, thereby reducing our long-term compliance costs (either by generating emission performance credits or simply a reduction in our direct obligation). We meet any remaining liability through the most efficient means available under the local Emissions Trading Scheme, whether this be through freely issued allowances, the purchase or origination of domestic or international project-based offsets or locally issued government credits. For example, in Canada Flow Control Devices (FCDs) support even steam distribution into the reservoir and help prevent steam production into the well that could damage the liner and cause it to fail. FCDs may also improve Steam Oil Ratio (SOR) by 10 percent. Using less steam helps us reduce SOR and therefore greenhouse gas intensity. Through application of this strategy, we reduced the cost of compliance with Alberta SGER.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit origination

Project type

Other, please specify (Savannah burning)

Project identification

West Arnhem Land Fire Abatement (WALFA) Project EOP100945. ConocoPhillips supports the program and partners with Northern Land Council, North Australian Indigenous Land and Sea Management Alliance, Charles Darwin University and the Northern Territory Government.

Verified to which standard

Other, please specify (Carbon Credits methodology 2015)

Carbon Credits (Carbon Farming Initiative – Emissions Abatement Through Savanna Fire Management) Methodology Determination 2015 Verification methodology:

<https://www.legislation.gov.au/Details/F2015L00344>.

Number of credits (metric tonnes CO2e)

100000

Number of credits (metric tonnes CO2e): Risk adjusted volume

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Stress test investments
Identify and seize low-carbon opportunities

GHG Scope

Scope 1

Scope 2

Application

For operations in countries with existing or imminent GHG regulation, the cost of regulatory compliance is evaluated based on specific regulation and local GHG pricing information. This information is incorporated into the base-case economic analysis for ongoing and new capital expenditures. For operations in countries without existing or imminent GHG regulation, all capital projects are required to perform a sensitivity analysis that includes carbon cost as part of the project's economic analysis. The company currently uses an estimated market cost of greenhouse gas emissions of \$40 (in U.S. dollars) per metric tonne to evaluate future project opportunities.

Actual price(s) used (Currency /metric ton)

40

Variance of price(s) used

There is no variance for any jurisdictions, unless they already have a higher cost of carbon legislated.

Type of internal carbon price

Shadow price

Impact & implication

For all of our project decisions we either build a carbon price into the base case economic evaluation or we run a sensitivity to test our projects against possible future carbon pricing. The economic analysis is used to evaluate future project opportunities. For example, in 2017 we evaluated an international gas development opportunity in a discovered field. The field had high native CO2 content, so when we tested it against the \$40/tonne sensitivity price, it was economically challenged. There were no practical offsets to apply, nor did the environment lend itself to Carbon Capture and Storage. As a result of a number of factors, including carbon price sensitivity, we decided not to move forward with the project.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

1

% total procurement spend (direct and indirect)

26

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We engaged our critical suppliers as they represented a significant portion of spend and environmental footprint.

Impact of engagement, including measures of success

In 2017 we hosted a Supplier Sustainability Forum, bringing together dozens of suppliers from over 20 different companies. The agenda included presentations and panel discussions and was designed to facilitate sharing of sustainability best practices that are transferable throughout our diverse supply chains. Topics discussed included water reuse, greenhouse gas (GHG) emission reduction, and other cost-efficient practices. Collaborating with our suppliers to identify and manage risks, foster supplier inclusion, and increase productivity and efficiency allows us to mutually improve our sustainability performance.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Other – please provide information in column 5

Size of engagement

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

The US\$20 million Carbon XPRIZE project is a Canada's Oil Sands Innovation Alliance (COSIA) joint industry project led by ConocoPhillips, along with six other COSIA members and NRG Energy.

Impact of engagement, including measures of success

This competition seeks to inspire the brightest minds in the world to reimagine what can be done to convert carbon dioxide emissions into valuable products. The final teams showcase a variety of innovative ideas, including: converting captured CO2 into products like enhanced concrete, liquid fuels, plastics and carbon fibre. The finalists will take home an equal share of a US\$5 million milestone prize to test their technologies for commercial deployment over the next two years. The competition has two tracks - one focused on testing technologies at a coal-fired power plant and one focused on testing technologies at a natural gas-fired power plant. Each track operates as a separate competition on the same timeline. The two teams that convert the greatest amount of CO2 into products with the highest net value while creating the greatest environmental benefit will be grand prize winners of the NRG COSIA Carbon XPRIZE.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

The communities we work in are also part of almost every step of our value chain, and we engage them through processes in our Community Engagement Management System

(<http://www.conocophillips.com/sustainable-development/people-society/engaging-stakeholders/Pages/engaging-with-communities.aspx>). We prioritize and track progress through the Stakeholder Engagement Action Plan. We also engage externally through sponsorship of MIT's Joint Program on the Science and Policy of Global Change; constructively engaging in the development of climate change legislation and regulation. This relates to our value chain in everything from drilling to production to sales.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (U.S. Participation in Paris Agreement)	Support	We engaged through several avenues outlining the advantages of continued U.S. participation in the climate agreement.	https://www.bloomberg.com/news/articles/2017-05-31/exxon-conoco-back-paris-climate-deal-as-trump-weighs-pact-exit . Upon U.S. exit, we continue to manage greenhouse gas emissions in our operations and to integrate climate-related activities and goals into our business planning.
Other, please specify (Reconsideration of U.S. CH4 regulations)	Support	We engaged through trade associations and directly to suggest revisions to EPA (Environmental Protection Agency) OOOOa and BLM (Bureau of Land Management) Waste Prevention Rule. Current regulations introduced operational inefficiencies and increased costs.	Technical revisions to improve regulations while achieving regulatory objectives (not repeal). We continue to improve our methane emissions through Leak Detection and Repair (LDAR) and have reduced our methane emissions in 2016 by 14% versus previous year. We are committed to improving our emissions rate and report on our progress annually as part of our Sustainability Report.
Other, please specify (Australia climate regulations)	Support with minor exceptions	We engaged with the Australian Government on their review of Climate Change Policies, the scope of which included "Safeguard Mechanism: Emissions Intensity Benchmark Guidelines" for post-2020 projects, which were consulted on previously, as they have still not been finalised.	In the Climate Change review we advocated several key positions, including intensity benchmarks, reiterating our previous position. 1) Intensity benchmarks are not applicable to the LNG industry due to the variability of individual facility design and source reservoir characteristics. 2) Facility GHG emissions are made up of process emissions and native CO2 content. Determination of benchmarks should be adjusted for native CO2 content. 3) Proposed replacement of intensity based benchmarks with actual emissions average after facility start-up.
Regulation of methane emissions	Support	Consulted with Alberta federal governments on proposed methane regulations and provided feedback. ConocoPhillips was a member of the Alberta Government's Methane Reduction Oversight Committee, a multi-stakeholder group that developed methane regulations for the oil and gas sector.	

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

International Oil & Gas Producers Association (IOGP)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The environmental performance of the upstream industry globally is closely scrutinized by a number of key players including regulators, financial institutions, non-governmental institutions and other stakeholders. Regulatory agencies often set targets and limits for performance that are challenging and opaque in terms of their technical justification. In addition to responding to external pressures, IOGP members are committed to improving performance through the development of better operating practices. The Environment Committee of IOGP aims to co-ordinate and represent the Exploration and Production industry on environmental issues of international significance. These include: Monitoring issues and providing input on relevant developments of international bodies/authorities/regulators; developing and advocating industry positions; identifying strategic and emerging issues; addressing common concerns and sharing & developing knowledge of the environmental impact of the E&P industry and improving operational practice based on that knowledge. In addition, an integral part of the committee program is to respond to regulatory initiatives in the broad range of forums in which IOGP is represented.

How have you, or are you attempting to, influence the position?

We advocate for policies aligned with our principles (http://www.conocophillips.com/sustainable-development/our-approach/Documents/Climate%20Change%20Position_FINAL.pdf). Employees who serve on trade association committees that are advocating on legislation or regulation must work closely with our Government Affairs office, affected business units and our Legal group, to develop appropriate position and ensure compliance with any possible lobbying disclosure requirements. Through participation in trade associations involved in lobbying, ConocoPhillips seeks to champion legislative solutions that are practical, economical, environmentally responsible, non-partisan and in the best interests of the company. We feel it is important to be actively engaged with these organizations so that our positions on key issues to the company can be expressed. We recognize that among trade association members there can be viable viewpoints that differ from ours. When this occurs, we seek to work with the association membership to promote reasonable compromise on major initiatives affecting the company and its stakeholders.

Trade association

American Petroleum Institute (API)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The API's Climate Change Working Group addresses climate change issues affecting the U.S. oil and natural gas industry. The group oversees API's Climate Challenge program, including participation in government voluntary GHG reduction programs, as well as the development of the API Compendium methodology for estimating oil and gas industry GHG emissions. <http://www.api.org/oil-and-natural-gas/environment/climate-change>. We have joined the Environmental Partnership at API, a voluntary methane reduction initiative.

How have you, or are you attempting to, influence the position?

We advocate for policies aligned with our principles (http://www.conocophillips.com/sustainable-development/our-approach/Documents/Climate%20Change%20Position_FINAL.pdf). Employees who serve on trade association committees that are advocating on legislation or regulation must work closely with our Government Affairs office, affected business units and our Legal group, to develop appropriate position and ensure compliance with any possible lobbying disclosure requirements. Through participation in trade associations involved in lobbying, ConocoPhillips seeks to champion legislative solutions that are practical, economical, environmentally responsible, non-partisan and in the best interests of the company. We feel it is important to be actively engaged with these organizations so that our positions on key issues to the company can be expressed. We recognize that among trade association members there can be viable viewpoints that differ from ours. When this occurs, we seek to work with the association membership to promote reasonable compromise on major initiatives affecting the company and its stakeholders.

Trade association

National Gas Supply Association (NGSA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

"The NGSA's mission is to ensure a competitive natural gas market that is supported by appropriate regulations. Through various legislative and regulatory policy initiatives, NGSA seeks to maintain competitive markets, improve downstream efficiencies and to foster increased supply to U.S. markets. NGSA also supports a balanced energy future, one which ensures a level playing field for all market participants and eliminates inappropriate regulatory barriers to supply." <http://www.ngsa.org/about-ngsa/chairmans-greeting/>

How have you, or are you attempting to, influence the position?

We advocate for policies aligned with our principles (http://www.conocophillips.com/sustainable-development/our-approach/Documents/Climate%20Change%20Position_FINAL.pdf). Employees who serve on trade association committees that are advocating on legislation or regulation must work closely with our Government Affairs office, affected business units and our Legal group, to develop appropriate position and ensure compliance with any possible lobbying disclosure requirements. Through participation in trade associations involved in lobbying, ConocoPhillips seeks to champion legislative solutions that are practical, economical, environmentally responsible, non-partisan and in the best interests of the company. We feel it is important to be actively engaged with these organizations so that our positions on key issues to the company can be expressed. We recognize that among trade association members there can be viable viewpoints that differ from ours. When this occurs, we seek to work with the association membership to promote reasonable compromise on major initiatives affecting the company and its stakeholders.

Trade association

National Association of Manufacturers (NAM)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

"Manufacturers support an energy strategy that embraces all forms of domestic energy production while expanding existing conservation and efficiency efforts. Oil, natural gas and clean coal remain essential contributors to America's energy security. The U.S. nuclear energy industry is well-positioned to expand its critical role in providing safe, affordable power. Alternative fuels and renewable energy sources like wind energy and solar power will also gain increasing importance in the future." <http://www.nam.org/Issues/Domestic-Energy/>

How have you, or are you attempting to, influence the position?

We advocate for policies aligned with our principles (http://www.conocophillips.com/sustainable-development/our-approach/Documents/Climate%20Change%20Position_FINAL.pdf). Employees who serve on trade association committees that are advocating on legislation or regulation must work closely with our Government Affairs office, affected business units and our Legal group, to develop appropriate position and ensure compliance with any possible lobbying disclosure requirements. Through participation in trade associations involved in lobbying, ConocoPhillips seeks to champion legislative solutions that are practical, economical, environmentally responsible, non-partisan and in the best interests of the company. We feel it is important to be actively engaged with these organizations so that our positions on key issues to the company can be expressed. We recognize that among trade association members there can be viable viewpoints that differ from ours. When this occurs, we seek to work with the association membership to promote reasonable compromise on major initiatives affecting the company and its stakeholders.

Trade association

US Chamber of Commerce

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

"The chamber strongly supports continued environmental improvements, including sensible approaches to reducing greenhouse gas emissions. The chamber believes that economic growth and environmental progress are not mutually exclusive goals. To make further progress, the chamber believes that we should be guided by what has already worked: gains in efficiency, new technologies, and the increased use of natural gas and renewable fuels." (From US Chamber of Commerce website <https://www.uschamber.com/issues>)

How have you, or are you attempting to, influence the position?

We advocate for policies aligned with our principles (http://www.conocophillips.com/sustainable-development/our-approach/Documents/Climate%20Change%20Position_FINAL.pdf). Employees who serve on trade association committees that are advocating on legislation or regulation must work closely with our Government Affairs office, affected business units and our Legal group, to develop the appropriate position and ensure compliance with any possible lobbying disclosure requirements. Through participation in trade associations involved in lobbying, ConocoPhillips seeks to champion legislative solutions that are practical, economical, environmentally responsible, non-partisan and in the best interests of the company. We feel it is important to be actively engaged with these organizations so that our positions on key issues to the company can be expressed. We recognize that among trade association members there can be viable viewpoints that differ from ours. When this occurs, we seek to work with the association membership to promote reasonable compromise on major initiatives affecting the company and its stakeholders.

Trade association

IPIECA, the global oil and gas industry association for environmental and social issues

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

"IPIECA welcomes the Paris Agreement as an important step in addressing the risks of climate change. Significant policy action, technology development and business response will be needed beyond the current Nationally Determined Contributions to achieve its aims. Governments, business and industry, investors, consumers and civil society will need to collaborate closely to enable the transition to a low-emissions future." <http://www.ipieca.org/resources/awareness-briefing/exploring-low-emissions-pathways-advancing-the-paris-puzzle/>

How have you, or are you attempting to, influence the position?

We advocate for policies aligned with our principles (http://www.conocophillips.com/sustainable-development/our-approach/Documents/Climate%20Change%20Position_FINAL.pdf). Employees who serve on trade association committees that are advocating on legislation or regulation must work closely with our Government Affairs office, affected business units and our Legal group, to develop the appropriate position and ensure compliance with any possible lobbying disclosure requirements. Through participation in trade associations involved in lobbying, ConocoPhillips seeks to champion legislative solutions that are practical, economical, environmentally responsible, non-partisan and in the best interests of the company. We feel it is important to be actively engaged with these organizations so that our positions on key issues to the company can be expressed. We recognize that among trade association members there can be viable viewpoints that differ from ours. When this occurs, we seek to work with the association membership to promote reasonable compromise on major initiatives affecting the company and its stakeholders.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our positions on sustainability issues and public policy principles are communicated publicly and through internal training, presentations and Networks of Excellence. Consistency and alignment are driven and reinforced through a comprehensive governance approach which is described in detail in our Sustainability Report. Our direct and indirect activities that influence policy are frequently reviewed by both the Executive Leadership Team and the Public Policy Committee of the Board of Directors. ConocoPhillips actively engages with trade associations at the national, state and local levels. We encourage our employees to represent the interests of the company and the communities in which we operate through participation in committees and/or leadership roles in these associations. While not the primary motivation for joining or maintaining membership in any trade association, many actively engage in lobbying. Employees who serve on trade association committees that are advocating legislation or regulation must work closely with our Government Affairs office, affected business units and our Legal department to develop appropriate positions and ensure compliance with any possible lobbying disclosure requirements. Through participation in trade associations involved in lobbying we seek legislative solutions that are practical, economical, environmentally responsible, non-partisan and in the best interests of the company. We feel it is important to be actively engaged with these organizations so that our positions on key issues to the company can be expressed. We recognize that among trade association members there can be viable viewpoints that differ from ours. When this occurs, we seek to work with the association membership to promote reasonable compromise on major initiatives affecting the company and its stakeholders. See our history of policy engagement at <http://www.conocophillips.com/sustainable-development/environment/climate-change/public-policy-engagement/Pages/climate-change-policy-history.aspx>, which is updated periodically with positions and engagements.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

[2017-annual-report.pdf](#)

Content elements

Governance

Strategy

Risks & opportunities

Emission targets

Publication

In voluntary sustainability report

Status

Complete

Attach the document

[18-0231-2017-sustainable-report.pdf](#)

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

We continue to improve the cost of supply of our portfolio, which positions us well in climate-related risk management. ConocoPhillips has 15 BBOE of resource with a cost of supply less than \$50/BBL, and the average cost of supply of those resources is \$35/BBL.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	EVP, STRATEGY, EXPLORATION AND TECHNOLOGY	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please state the main reason why you are declining to respond to your Customers

Prefer to work directly with customer, not through a third party

Please confirm below

I have read and accept the applicable Terms