

ConocoPhillips recognizes how important it is to deliver reliable and affordable energy to the world and that we must achieve this in a sustainable way that addresses important social and environmental issues. We're grounded by values that position us to deliver strong performance in a dynamic business — but not at all costs. We believe it's not just what we do — it's how we do it — that sets us apart.

Our scientists and engineers use technology to maximize production of existing resources and to develop areas that were previously thought to be unrecoverable. We do all of this with a commitment to safe and responsible development that helps achieve economic growth, preserves and creates jobs, and ensures quality of life.

## ConocoPhillips at a Glance

<b>10,800</b>	Employees around the world
<b>17</b>	Countries where we operate
<b>\$38.7 billion</b>	Total revenues and other income
<b>\$6.3 billion</b>	Net income
<b>\$8.7 billion</b>	Payments to contractors and suppliers
<b>\$1.4 billion</b>	Cash dividends paid to shareholders
<b>\$6.8 billion</b>	Reinvested in capital investments to find new energy supplies
<b>1.3 million</b>	Barrels of oil equivalent per day produced

\*2018 data

“We have a long-standing commitment to demonstrate leadership in the way we produce natural gas and oil resources by being competitive both financially and with our environmental and social performance.” — Chairman and CEO Ryan Lance



**Our Mission** We exist to **power civilization.**

**Our Vision** We will be the **E&P company of choice** for all stakeholders.

# Managing Climate-Related Risks

ConocoPhillips recognizes how important it is to deliver reliable and affordable energy to the world and that we must achieve this in a sustainable way that addresses important social and environmental issues, including climate change.

To manage climate-related risks, we:

- Have acknowledged the need for action to address climate change and have been reporting on our performance to reduce our greenhouse gas (GHG) emissions since 2003.
- Voluntarily carried out projects that have reduced our GHG emissions by almost 7 million tonnes of CO<sub>2</sub> equivalent per year compared to business as usual since 2009 — the equivalent of taking over 1.5 million cars off the road.
- Support the ambitions of the Paris Agreement and recognize the need for global action to deliver them.
- Led the development of IPIECA's *Low Emissions Pathways* which describes the challenges and responses needed to address the risks of climate change.
- Are a founding member of the Climate Leadership Council, an international policy institute founded in collaboration with business and environmental interests, to develop a carbon dividend plan in the U.S.
- Signed Vatican statements on the importance of carbon pricing to reduce GHG emissions and the necessity to provide clear disclosures on strategies and actions, governance process and performance regarding climate change.

## GHG Intensity Target

**5–15% reduction in  
GHG emissions intensity  
by 2030 from a 2017 baseline**

## Reducing Emissions

### The Environmental Partnership

We participate in The Environmental Partnership in the U.S., a coalition of natural gas and oil companies working to reduce methane emissions.

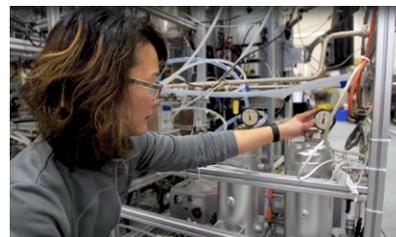


### Leak Detection and Repair (LDAR)



quickly repair them. We also are testing drones to detect and quantify leaks from our operations.

We conducted more than 4,300 site surveys in 2018 to detect methane leaks and



### Carbon XPRIZE

We are sponsoring a prize to incentivize and accelerate the development of technologies that convert CO<sub>2</sub> into valuable products.

# Managing Local Water Risks

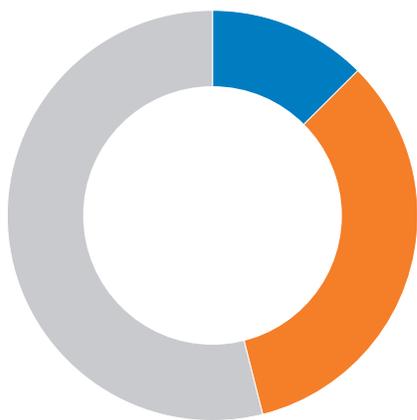
We manage water-related risks and mitigate potential impacts to water resources, taking into account the unique social, economic and environmental conditions of each basin or offshore marine area.

## Water Use

Almost 90% of the water we use globally is non-fresh groundwater, seawater and reused/recycled produced water.

### Total Water Used

■ Fresh ■ Non-Fresh ■ Reused/Recycled Produced



\*2018 data

## Water Management Priorities

Water management priorities are evolving globally in response to risks from local water scarcity and regulatory and social risks from changing priorities and expectations of governments, investors and society.

Our onshore operations use fresh, non-fresh and produced water for drilling, EOR, hydraulic fracturing, steam generation for oil sands, and LNG production. Produced water that is not reused/recycled is injected into regulated disposal wells. Priorities for our onshore assets include:

- Optimizing water use for hydraulic fracturing and increasing water transported in pipelines.
- Reusing produced water for EOR, reducing freshwater intensity for oil sands and monitoring discharges to municipal systems or the receiving environment for LNG facilities.



## Performance Goals

In the China Draw area of the U.S. Permian, we are reducing the amount of water withdrawn from local sources and have a target to use 100% recycled produced water by 2020.

We are using a closed loop water hub in the Montney area of Canada to effectively manage water use and support our goal of recycling 80% of produced water in the basin.

Our Norway offshore operations have a 2019 performance goal for oil in water concentration in produced water discharge of less than 10 mg/L, about three times lower than the regulatory limit.

Our offshore operations use non-freshwater — specifically seawater — for drilling, enhanced oil recovery (EOR) and decommissioning. Recovered produced water is injected into regulated disposal wells or treated and discharged according to local regulations. Priorities for our offshore operations are treatment and water quality of discharged produced water.

# Managing Biodiversity Risks

We work to understand and mitigate our potential impact on biodiversity for global operations located across a diverse set of ecosystems.

## Mitigating Risks

We manage risks and impacts to areas with biological or cultural significance through the four prioritized steps of the Mitigation Hierarchy.

### Avoid

- › In Alaska, we utilize winter ice roads to avoid placing permanent infrastructure on the tundra where possible.
- › In Norway, we study cod to mitigate seismic surveys on spawning.
- › In the U.S Lower 48, we have enrolled over 195,000 acres in voluntary conservation agreements.



### Minimize

- › In our oil sands operations in Canada, we are participating in a goal to reduce the footprint intensity by 10% by 2022.
- › In Alaska, we have reduced the size of our well pads from 65 acres in 1970 to about 12 acres.
- › In the Lower 48, we are using a centralized facility concept to reduce land disturbance and impacts on wildlife.



### Restore

- › In Norway, we are reusing and recycling more than 97% of old offshore platforms we are removing.
- › In Canada we are celebrating 10 years of restoring linear disturbances in the boreal forest where over 1 million trees have been planted.



### Offsets

- › In Indonesia, we have offset land disturbance by rehabilitating 88 acres of peatland within the Sriwijaya Botanical Garden.
- › In Australia, two-thirds of Curtis Island is actively managed under a conservation agreement to protect the island's ecology.



## Spill Prevention

We take numerous precautions to reduce the risk of a spill, proactively work to minimize opportunities for spills and continually evaluate spill risks across our operations. We maintain a strong oil spill response

capability through our systematic, multitiered approach to emergency preparedness and crisis management.

# Creating Shared Value

At ConocoPhillips, we take pride in being a great neighbor and a responsible corporate citizen and we strive to make a positive difference in the communities where we live and operate.

## Stakeholder Engagement

Our goal is to respectfully engage with local stakeholders — those who impact or may be impacted by our business — to understand their values and interests, reduce the impact of our operations, and contribute to human development. Our approach to stakeholder engagement is guided by our principles and we:

- Proactively identify and seek out stakeholders.
- Include stakeholders in the design and implementation of the engagement process.
- Listen to understand stakeholders' interests, concerns and culture.
- Communicate openly.
- Seek solutions that create mutually beneficial relationships and build long-term value for both the company and our stakeholders.
- Follow through on our commitments and stand accountable for the results, both internally and externally.

## Working with Communities

We actively solicit community feedback and collaborate with stakeholders at the local, state, provincial or federal levels to implement our commitments to community engagement throughout the life cycle of our projects.

In Alaska, we meet frequently with North Slope community leaders and residents to get feedback and gather local and traditional knowledge to help protect their subsistence resources and to share information about current and planned operations. We support community projects and provide economic opportunities, while minimizing impacts from operations on local residents and the environment. This has included changing the placement of an exploration project and a bridge near the village of Nuiqsut on Alaska's North Slope.

In Texas, the Eagle Ford Citizens Advisory Committee meets quarterly to discuss industry-related issues and we also invite local elected officials to participate in our Leadership Roundtable meetings to discuss our operation plans and listen to concerns and suggestions.

In Texas and New Mexico, we are a member in the Permian Strategic Partnership, working to make roads safer, improve schools and healthcare, increase affordable housing, and train workers.

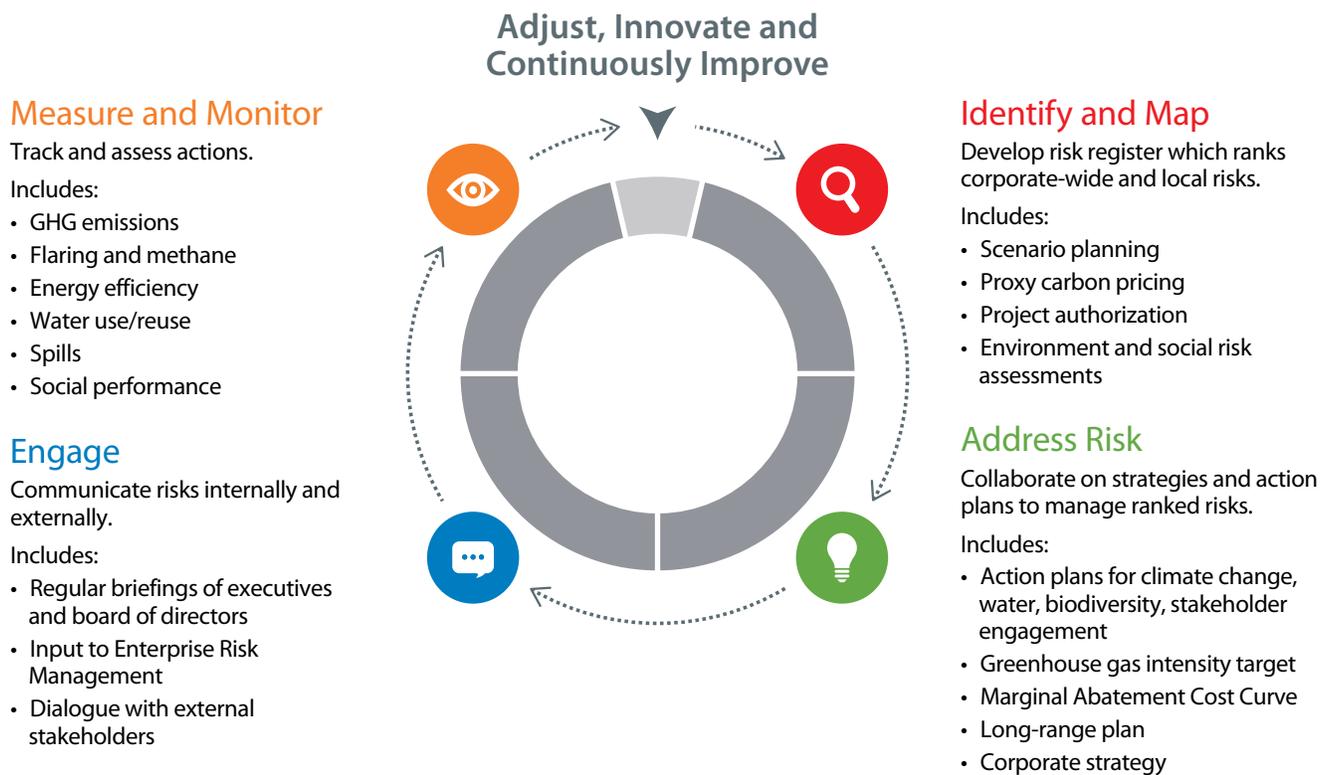


In Colorado, community bus tours in the Niobrara allow residents to experience our operations and talk directly with subject matter experts. We also conduct town halls and participate in public meetings to ensure residents and officials have the information they require to make informed decisions about our operations.

We contribute to the well-being of the communities in which we operate through charitable giving, employee volunteerism and civic leadership. We believe the most effective charitable investments are made through strategic relationships with organizations dedicated to serving our communities, day in and day out.

# Integrating Sustainability

ConocoPhillips utilizes an integrated management system approach to identify, assess, characterize and manage environmental- and social-related risks. Sustainability is integrated into our strategy, day-to-day operations, project development and decision-making.



## Our People

We have created an inclusive environment that reflects the different backgrounds, experiences, ideas and perspectives of our employees.



## Business Ethics

Our Code of Business Ethics and Conduct sets out our standards as well as our legal and ethical responsibilities and provides concrete guidance for expected behaviors.

## Key Stakeholders

Active stakeholder engagement and dialogue is an integral part of our sustainability commitment.

## Supply Chain

We are committed to supporting business opportunities and capacity building for local and diverse suppliers in our own operations and through our supply chain.

More information about our climate-related risks is available at <http://www.conocophillips.com/sustainability/managing-climate-related-risks/>