Scenario Planning at ConocoPhillips

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Scenarios are used to:

- Assess a wide range of dynamic forces that could shape the future of energy
- Sharpen our thinking about how to position the company for alternative outcomes
- Test strategies across different business environments
- Communicate risks and responses
- Proactively adjust to changes in the business environment

Scenarios are sufficiently diverse that multiple strategies need to be formulated and tested for resilience.

Process recognizes that the world will not be static, that multiple scenarios may emerge over time

- Capital flexibility and financial strength are priorities
Energy Scenarios are Shaped by a Wide Range of Forces

**SUPPLY**
- Technology
- Breakeven Costs
- New Discoveries / R&D
- Resource Availability
- Government Policies
- Cost of Capital
- Sustainable Production
- Emissions

**DEMAND**
- Government Policies
- Trade Environment
- Population
- Income / GDP
- Urbanization
- Regulations
- Technology
- Battery Costs
- Mobility
- Building Standards
- Carbon Policies
- Preference for “Green” Energy

**GLOBAL ENERGY SUPPLY**

**GLOBAL ENERGY DEMAND**

**GLOBAL ENERGY MIX**
Views of Global Oil and Natural Gas Demand

GLOBAL OIL DEMAND - MMBD

GLOBAL GAS DEMAND - BCFD

Source: Industry consultants and publicly available data from government agencies and corporate reports.
Scenario Monitoring

- Data-capture and tracking tool developed in-house
- Signposts correspond to scenarios
- ~50 internal experts monitor specific signposts
- System captures number and intensity of events to indicate scenario trends
- Summary reports to senior management