

EXPRESSION OF PRINCIPLES
Dated 16 November 2023

As entered into between:

1. the **Minister of Economic Affairs and Climate Policy**, acting as administrative body (*bestuursorgaan*) and as representative of the State of the Netherlands, represented by Mrs. M.A.M. Adriaansens;
2. the **State Secretary of Infrastructure and Water Management**, acting as administrative body (*bestuursorgaan*) and as representative of the State of the Netherlands, represented by Mrs. V.L.W.A. Heijnen;
3. **bp Raffinaderij Rotterdam B.V.**, with its registered office in the Netherlands, with offices at d'Arcyweg, 3198 NA, in Europoort-Rotterdam (hereafter referred to as "bpRR"), represented by Mr. B.M. Niemeyer-Pilgrim and Mr. C. Boot (under power of attorney granted by the management board of bpRR);

regarding cooperation to establish a framework for future cooperation with the aim to reduce Greenhouse gas emissions in the Netherlands

Parties 1 and 2 hereafter individually as well as jointly referred to as the "State";
Parties, 1, 2 and 3 hereafter jointly referred to as the "Parties";

WHEREAS:

Legal and policy framework for CO₂ reduction

1. Parties acknowledge that additional efforts for reduction of Greenhouse gas emissions are needed to achieve the goals of The Paris Agreement, the European Climate Law, the Dutch Climate Law (Klimaatwet) and the Dutch Coalition Agreement (Coalitieakkoord);
2. The Dutch Coalition Agreement as presented on December 15, 2021, increases the national Greenhouse gas emission reduction targets to at least 55% in 2030, and the Government aims for 60% Greenhouse gas reduction in 2030, and for climate neutrality in 2050 and for establishment of a green economy that is climate neutral, fossil free and circular;
3. For the industry, as laid down in the 26 April 2023 letter about the additional climate policies¹ (hereafter: "Kamerbrief Voorjaarsbesluitvorming Klimaat"), the proposed target is to reduce industrial CO₂-emissions to a maximum of 29.6 million tons (hereafter: "Mton") in 2030. This target has been adjusted to 29,1 Mton with the 'Augustusbesluitvorming' (Kamerbrief Kabinetsaanpak Klimaatbeleid van 19 September 2023, Kamerstuk 32813 nr. 1291);
4. Parties acknowledge that a long-term collaborative approach and consistent long-term government policy in relation to large energy transition projects and related high value risks are essential for a successful outcome of the tailor-made approach;
5. On 14 July 2023 the Government presented a national roadmap² ('Routekaart verduurzaming industrie 1.0') to accelerate the transition in the Dutch industry towards a climate neutral, fossil free and circular economy. Parties acknowledge that their mutual cooperation will take place in the context of the developing policy around accelerating the transition of the industry;
6. Parties acknowledge that the further development of offshore wind is an essential part of the energy transition. The Minister for Climate and Energy Policy has appointed new offshore wind areas to bring the total capacity at 21GW around 2030 of which a substantial share is for the accelerated electrification of the industry.³ For the years 2040 and 2050, the Minister for Climate and Energy Policy has communicated that planning will begin towards 50GW and 70GW offshore wind capacity respectively.⁴

Tailor-Made Approach ("Maatwerk")

7. The Government aims to facilitate the climate transition of the industry in the Netherlands with, amongst other instruments, a tailor-made approach for the 10-20 largest industrial emitters. As set out in among others the letter informing parliament on the tailor-made approach⁵ (hereafter: "Zomerbrief") and the letter informing parliament on the progress of the tailor-made approach⁶ (hereafter: "Voortgangsbrief"), the aim of the tailor-made approach is to support these companies, based on mutual commitments, in achieving additional and accelerated CO₂ reduction before 2030 and having a sustainable future in the Netherlands;
8. Where needed, the Government, as stipulated in the Dutch Climate Policy Programme, intends to support the companies identified above in their endeavors in order to contribute to additional CO₂ reduction, while considering European principles regarding state aid and a level playing field on the internal market and aiming for an international level playing field;
9. In the Zomerbrief and the Voortgangsbrief, the Government explained the structure of the tailor-made approach. The structure will be along the following lines:
 - i. First, discussions will be held to see whether parties can come to an expression of principles ("EoP"), in which they express their intention to further discuss the possibilities of reducing additional CO₂-emissions and reduction of impact on the local environment by the respective companies and the possibilities of the Government to assist therewith;
 - ii. Second, if an EoP appears to be a good basis for further discussions, parties intend to continue discussions with the aim to define the specific measures to be taken and intend to

¹ Kamerbrief *Voorjaarsbesluitvorming Klimaat*, d.d. 26 April 2023.

² Kamerbrief *Nationaal Programma Verduurzaming Industrie, routekaart 1.0*, d.d. 14 July 2023.

³ Kamerbrief *Aanvullende routekaart windenergie op zee 2030*, d.d. 10 June 2022.

⁴ Kamerbrief *Windenergie op zee 2030-2050*, d.d. 16 September 2022.

⁵ Kamerbrief *Zomerbrief Maatwerk*, d.d. 8 July 2022.

⁶ Kamerbrief *Voortgang Maatwerkafspraken*, d.d. 27 February 2023.

- agree on those in a joint letter of intent (“JLoI”), initially as draft JLoI, in a later stage as final JLoI;
- iii. Third, the draft JLoI will be submitted to the ‘Adviescommissie Maatwerkafspraken Verduurzaming Industrie’ for an expert advice to the Minister of Economic Affairs and Climate Policy with respect to, among others feasibility, cost-effectiveness and level of ambition;
 - iv. Finally, if a final JLoI has been agreed upon and signed, parties intend to implement and elaborate their agreements in binding tailor-made agreements;
10. The current EoP and its contents, therefore, are only of an indicative, non-binding nature, which means that in the further discussions in the context of the tailor-made approach none of the Parties can be legally held to expressed intentions, statements, facts or numbers mentioned in this EoP, among other things because in this stage, such expressed intentions, statements, facts or numbers cannot and will not be fully verified by the Parties to this EoP and because none of the Parties want to enter into legally binding commitments with this EoP;
 11. Parties confirm explicitly that (i) they shall have full discretion in agreeing on a JLoI or not, and in modifying, removing or completing any intentions, statements, facts or numbers mentioned in this EoP, and (ii) that at its sole discretion, any Party may terminate discussions at any time for any reason.

bpRR in The Netherlands

12. bpRR operates the second largest refinery in the Rotterdam area, with a long history in the Netherlands. Its Refinery produces a wide range of products which are supplied to the bp retail network in the Netherlands, but are also exported to Europe and other parts of the world. bpRR is part of the large bp group of companies⁷ (‘bp’) that provides energy to customers, with the purpose to reimagine energy for people and the planet. In view of this, with regard to intentions and activities not directly or exclusively related to bpRR in this EoP, bpRR refers to intentions and activities of bp. bp has the ambition to be a net zero company by 2050 or sooner, and help the world get to net zero;
13. Parties see the Netherlands as an ideal potential location for producing, processing, enhancing and distributing renewable energy. With government support under the tailor-made approach, bp could play a crucial role in this vision and will strive to retain this key position as part of its long term strategy;
14. To support bp’s ambition to be a net zero company by 2050 or sooner, bp has set out 10 aims on getting to net zero (5 aims to get bp to net zero and 5 aims to help the world get to net zero). Alongside these aims, bp has also set out 5 aims to help improve people’s lives and 5 aims to care for our planet (including bp’s aim 17 to be “water positive” by 2035 and aim 19 to “unlock circularity”);⁸
15. bp has already taken a number of steps to better manage its environmental impact and to contribute to the delivery of these aims and the net zero ambition in the Netherlands, amongst others:
 - (i) bpRR installed a state-of-the-art Effluent Treatment Plant (ETP), a wastewater treatment plant, in 2013, to significantly reduce the emissions of substance via water;
 - (ii) since end 2021 bpRR has used renewable electricity for the operation of its plant;
 - (iii) to support the decarbonization of its employees’ commute to and from work, and ahead of the Dutch obligation of electrification of company lease cars as of 2025, bpRR already has an employee car plan in place that allows employees to lease only hybrid or electrical cars;
 - (iv) to improve the possibility for employees to charge their electric cars, bpRR has installed a number of charging points on its terrain, and is continuing to expand these; and
 - (v) to improve the possibility of charging electric cars, bp is working on expanding the number of EV Pulse charging points in the Netherlands;

⁷ A group is an economic unity in which legal entities and companies are organizationally linked. Group companies are legal entities and companies that are linked to each other in a group.

⁸ For the 20 Aims, see: [bp-sustainability-report-2022.pdf](#)

16. At bpRR, 730 people are directly employed, and ca. 1000 external contractors per day are working on site. Emissions reduction projects planned to help deliver bp's net zero ambition, are intended to lead to a long and sustained presence of bpRR in the region as an employer;
17. As an employer, bpRR is aware of the role it plays in the local community, and sees the importance of promoting and increasing diversity, equity and inclusion for the workforce and customers.

Decarbonization

18. bp has the ambition to be a net-zero company by 2050 or sooner and to help the world get to net zero. To help towards delivering this ambition, bpRR is working on a portfolio of potential projects in the Netherlands including the construction of a blue hydrogen plant (hereafter referred to as "H-Vision"), electrification of processes at the Refinery, and several energy efficiency projects. In the longer term, bp is looking at options for sustainable future fuels production, increasing its production of lower carbon products and bpRR is actively researching suitable options to reach net-zero for its Refinery's operational emissions;
19. The delivery of this portfolio and the individual projects may be subject to support from the Government, including as part of this tailor-made agreements process. bpRR has expressed that the higher the level of the ambition of additional CO₂ reduction, the higher the level of the support and facilitation that might be needed to help realize the ambition;
20. The Port of Rotterdam region has a significant potential to reduce CO₂ emissions by decarbonizing refinery fuel gases and using these not only at the originating installations, but also at different sites in, for example, high temperature processes and power generation, through replacement of natural gas as a fuel. H-Vision, if realized, would produce low carbon hydrogen, which could displace the natural gas and steam used by bpRR for high temperature processes and power generation. H-Vision would use, provided CCS infrastructure is in place and available, pre-combustion CO₂ capture enabling CO₂ to be stored under the North Sea. This could contribute to achieving the targets of the Dutch Climate Agreement (2019) with an estimated reduction in CO₂ emissions of 1.1 Mton per year for bpRR;
21. bpRR is working on a project to build a sustainable aviation fuels ("SAF") plant at their location in order to allow the Refinery to also produce non-fossil-based forms of fuel;
22. Next to the above plans on the Refinery plot, bp is also working together with an industrial partner on plans for an electrolyser project to produce green hydrogen for bpRR and other demand uses (hereafter referred to as "H2-Fifty");
23. bpRR wishes to stress that investment in the technologies required to achieve sustainability targets carry a significant market risk as the development of the gas, electricity and CO₂ emission prices (influenced by emission trading scheme and carbon taxation), which largely drives the project return, are challenging to predict and significantly influenced by geopolitical developments and governmental policies;
24. Parties acknowledge that additional reductions by companies under the tailor-made approach should not be offset by other companies doing less, and therefore CO₂ dispensation rights that directly ensue from the CO₂ reduction realized by the tailor-made approach should not be traded to other parties;
25. Parties recognize the potential of bpRR being, with support of the tailor-made approach, a valuable player in the State's efforts to decarbonize.

Environmental impact & circularity

26. Parties acknowledge that the Dutch Coalition Agreement aims to decrease the reactive nitrogen emissions to reduce the deposition thereof in Dutch Natura 2000 nature areas, and that each sector, including the industrial sector, is expected to contribute fairly to the necessary reduction of reactive nitrogen emissions. The letter regarding nitrogen⁹ explains the policy framework;
27. The Government aims, in line with the European Zero Pollution Vision for 2050, to reduce air-, water- and soil contamination by 2050 to levels that are no longer harmful to general health and natural ecosystems, thereby taking into account the limits of planet earth with the aim of realizing

⁹ [Kamerbrief Stand van zaken stikstof en landelijk gebied, d.d. 15 July 2022.](#)

- a toxin-free environment and has formulated emission reduction and health gain ambitions in several policy acts to this end;
28. The Government has formulated an emission policy that includes the legal obligation to minimise emissions of pollutants of high concern (zeer zorgwekkende stoffen - ZZS) and inform the authorities on achieved reduction and next steps every five years;
 29. Parties acknowledge the Government's ambition to realise a complete circular economy by 2050, by (i) using raw materials more efficiently in existing production processes; (ii) making use of sustainably sourced, renewable (inexhaustible) and generally available materials if new materials are required; and (iii) by developing new production methods and new circular products.
 30. bp has an aim to grow its global biofuels production to around 100,000 barrels per day by 2030 and increase its supply volumes of biogas;
 31. bp also has an aim to unlock new sources of value through circularity, by keeping materials in use for longer and value them throughout their lifecycle. Hereby resources will be used responsibly and circular principles are embraced in design, operations and decommissioning;
 32. bp intends to identify pathways to help transform its activities towards an increase of the production of lower carbon products. Parties intend to further discuss these possible pathways in the JLoI phase.

Other

33. Parties acknowledge that timely realization of energy and CO₂ infrastructure and a clear industrial demand for such infrastructure are in their joint interest and are crucial for the success of industrial decarbonization projects;
34. Parties acknowledge that clear policies and procedures regarding subsidies, accessibility to CO₂ storage and transportation, infrastructure with regards to, but not limited to, power and hydrogen, power from wind farms, speedy permitting for the above mentioned projects, international alignment on relevant topics such as, but not limited to, certification, H₂, CO₂ CCS, and renewable energy, are important for the success of these tailor-made agreements;
35. The Government has developed a national and regional infrastructure program (*Programma Infrastructuur voor een Duurzame Industrie, PIDI*) in which national and regional governments (e.g. the provincial government), industry and grid operators work together to:
 - (i) take stock of all infrastructural needs for the industry, including for bpRR; and
 - (ii) to enable acceleration of infrastructural projects admitted to the Multi-year Infrastructure and Climate Programme (*Meerjarenprogramma Infrastructuur en Klimaat (MIEK)*) where desirable and possible.
36. Parties recognize that the innovative and transformational change and decarbonization projects of bp in the Netherlands have substantial advantages not only related to bpRR's own activities, but also for its customers and suppliers and may also come with substantial risks and challenges for bpRR, depending on technological, economic, political and commercial developments;
37. Parties acknowledge that decarbonization projects have long development and construction times (several years) and can change in scope and impact – including the amount of CO₂ reduction;
38. Within the framework of the tailor-made approach, the Government intends to support bpRR's additional CO₂ reduction and the other objectives under 2 (*Objectives*) below, by, among others: financial support through generic financial mechanisms, stimulation of demand for sustainable products, facilitating timely decision-making on permit applications, advancing timely availability of affordable energy carriers and required infrastructure for these energy carriers (such as electricity, CCS and hydrogen), and addressing of (EU or other) regulatory uncertainty;
39. The Government aims to facilitate the energy transition of the industry in the Netherlands, both with pricing instruments such as the carbon levy for industry and with instruments covering uneconomical parts of necessary and efficient investments and operations and recognizes the necessity of continued involvement with the industry to monitor whether the current governmental instruments are indeed suitable and sufficient towards this end;
40. For achieving its 2030 CO₂ reduction goals, bpRR is highly dependent on CCS. The Government acknowledges the importance of facilitating CCS as a transitional technology and infrastructure as part of the energy transition.

Have agreed:

1. Definitions

The following terms, if capitalized as indicated, shall have the following meaning:

- a. **Carbon Capture and Storage:** the process of capturing, transporting and permanent storing of carbon dioxide to prevent it from entering the atmosphere, hereafter also be referred to as 'CCS';
- b. **CO₂:** all Greenhouse gases in CO₂ equivalent terms, unless stated otherwise;
- c. **bpRR:** bp Raffinaderij Rotterdam B.V., with its registered office in the Netherlands, with offices at d'Arcyweg, 3198 NA, in Europoort-Rotterdam;
- d. **Dutch Climate Law:** the law enacted on 2 March 2022, also known as the Klimaatwet;
- e. **Dutch Climate Agreement:** the agreement dated 28 June 2019 as supported by the Government, Dutch companies and other interested parties in relation to the reduction of Greenhouse gases as part of the Dutch climate policy (*Klimaatakkoord*);
- f. **Dutch Coalition Agreement:** coalition agreement (*Coalitieakkoord*) of the cabinet Rutte IV government coalition, dated 15 December 2021;
- g. **Dutch Climate Policy Programme:** the governmental policy programme (*beleidsprogramma Klimaat*) dated 2 June 2022 on the main features of the climate policy until 2030 aimed at the realization of the objectives of the Dutch Climate Law;
- h. **Dutch CO₂ Levy:** the national levy on industrial CO₂ emissions, governed by the 'Wet belastingen op milieugrondslag' chapter VIB;
- i. **EoP:** this Expression of Principles;
- j. **Government:** the government of the Netherlands;
- k. **Greenhouse gases:** the gases listed in Annex II to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the European Union;
- l. **NO_x:** a collective term for nitrogen oxides most predominantly nitric oxide (NO) and nitrogen dioxide (NO₂);
- m. **Parties:** the Parties to this Expression of Principles;
- n. **Party:** one of the Parties to this Expression of Principles;
- o. **Permits:** means any permit, license, exemption, consent or other authorisation that bpRR requires from the State or any (local) governmental organisation for the realisation of projects executed by bpRR relating to the tailor-made approach;
- p. **Revision of the Renewable Energy Directive (RED III):** means the EU legal framework for the development of renewable energy across all sectors of the EU economy which still has to be approved by the Council of the European Union and has not yet entered into force;
- q. **The Refinery:** bpRR's Rotterdam refinery.

2. Objective for the cooperation between the Parties

The general objective of this EoP is to express non-binding principles for potential subsequent mutual agreements on the cooperation between the Parties to pursue the intentions as stated below in Article 3 each from their own purview (see recitals above) and subject to each Party's internal criteria for cooperation and decision making to:

1. accelerate the reduction of bpRR's CO₂ emissions, that are subject to the Dutch CO₂ Levy in the Netherlands ("in scope CO₂ emissions"), aiming for 1.2 Mton CO₂ reduction in the year 2030 relative to the year 2020;
2. accelerate bpRR's aspirations for green H₂ and sustainable aviation fuels (SAF) production;
3. explore whether there are technically and commercially practical options to go beyond applicable regulatory requirements in the Netherlands with regards to particular elements of the Refinery's environmental emissions, with a focus on nitrogen;
4. contribute to the acceleration of the transition to a sustainable circular economy in the Netherlands, by exploring potential acceleration of bp's aspirations in the Netherlands with respect to electric vehicle charging, hydrogen and biofuels for road transport, developing mobility hubs and seeking to play an important role in the Dutch renewable energy strategy by integrating offshore wind assets with other activities.

3. Intentions

3.1 Intention 1 – establish basis for cooperation

1. Parties intend to cooperate on the basis of mutuality ("wederkerigheid") in a staged process to explore the potential for entering into (a) binding agreement(s) with the ultimate aim of facilitating the Parties' further progress towards achieving the objectives, set out in Article 2 above.
2. As the next step, Parties intend to strengthen their cooperation by drafting and agreeing on a JLoI. If agreed, the JLoI will elaborate on the levels of commitment related to all intentions to be pursued. At the moment of signing this EoP, Parties aim to continue discussions to agree the JLoI in Q3 of 2024.
3. Parties acknowledge that apart from an adequate application process, early alignment, effective prioritisation, planning and cooperation between key stakeholders (including the State, the relevant (local) governmental authorities, the relevant public institutions and bpRR) are important for effectively conducting permitting processes to obtain the relevant Permits, including NO_x related permits, and to that effect:
 - a. Parties acknowledge each Party's and other entities' responsibilities under various applicable laws and regulations;
 - b. Parties intend to, individually and jointly, engage and align and continue to engage and align with relevant public entities, stakeholders and institutions to promote a timely and predictable permitting process; and
 - c. the State intends to facilitate, where possible and within its purview, timely decision-making on permit applications for any Permit and, whilst respecting their respective authority and role under public law, encourage relevant public entities and authorities whose actions and/or decisions are required for obtaining any Permit, to contribute to timely decision making.

3.2 Intention 2 - reduction of CO₂ emissions

1. This intention relates to the Refinery's in-scope operational CO₂ emissions. In the year 2020, those emissions were 2.0 Mton.
2. bpRR aims, with support of the tailor-made approach by the State, to reduce its annual operational CO₂ emissions (as defined in article 3.2.1), by 1.2 Mton (60%) by the end of the year 2030 when compared to the year 2020. This would mean 0.2 Mton additional CO₂ reduction beyond the estimated 1.0 Mton CO₂ reduction required to achieve an emissions level equal to the expected amount of CO₂ dispensation rights in 2030 under the 'Wet belastingen op milieugrondslag'.
3. bpRR intends to allocate its resources to accelerate and mature a portfolio of carbon abatement projects, subject to bpRR's internal governance and decision-making criteria at all times. This portfolio consists of, at the core, H-Vision, and several energy efficiency projects to be implemented by the end of 2030. The delivery of the aims set out in article 3.2.2 is subject to the timely realisation of the project portfolio.

4. Acquisitions, divestments, or significant changes to today's output are currently not considered and could lead to re-evaluation of the above-mentioned intentions and other elements in this article.
5. bpRR is exploring the potential of: further electrification; negative emissions; and decarbonization of fuels beyond 2030. To this end, Parties intend to investigate promising opportunities and mechanisms to support this potential.
6. bpRR has expressed that the following enablers are required to progress the project portfolio described in Article 3.2.3 and to accomplish the aim described under Article 3.2.2:
 - a. (Accelerated) realisation of MIEK infrastructure projects: the national hydrogen transport and storage network, reliable and timely electricity supply (upgrade 150KV Europoort station), third party CO₂ transportation and sequestration infrastructure (as foreseen in the Porthos project and the Aramis project);
 - b. Commercially and legally viable terms to ensure access to third party CO₂ transportation and sequestration infrastructure;
 - c. Flexibility in use for limited amounts of low-carbon hydrogen to support variability in the availability of green hydrogen and decarbonization of other industries;
 - d. Timely realisation of permits to execute the projects. Risks related to the permitting processes are to be addressed as well as pathways to accelerate these processes;
 - e. The tariffs for existing and future subsidy schemes to be indexed to mirror market price developments and budget levels to remain adequate;
 - f. Depending on the adequacy of forementioned subsidy schemes, other mechanisms facilitating the achievement of the aim specified in article 3.2.2 might be needed;
 - g. Appropriate and coherent set of policies creating demand incentives recognizing low carbon production processes;
 - h. Adequate incentives, such as the electricity grid pricing structure, for flexible use.
7. Parties intend to explore how they can contribute to the enablers mentioned in the previous sub article. For some of these enablers, the Parties also depend on third parties. In this context:
 - a. The State intends to continue to coordinate the – in certain cases accelerated – realisation of MIEK projects, reliable and timely electricity supply (upgrade 150KV Europoort station), the Porthos project, the national hydrogen transport and storage network and the Aramis project;
 - b. The State intends to explore ways to ensure commercially and legally viable access to CO₂ transportation and sequestration infrastructure;
 - c. All Parties intend to address risks related to the permitting processes and identify pathways to accelerate permitting processes, and follow-up in line with Article 3.1.3;
 - d. The State intends to explore how existing and future generic subsidy schemes can be adequately funded and be kept up to date to address possible deficiencies, subject to all internal criteria (political consent, subsidy design principles and state support regulations among others);
 - e. The State intends to explore (generic) support mechanisms to stimulate low carbon fuels (market pull) as described in whereas 38;
 - f. Parties intend to explore the potential to increase the share of flexible electricity consumption, in order to allow for the efficient integration of renewable electricity into the electricity grid in location and time.
8. Parties acknowledge that it is bpRR's intention not to further trade with other companies additional CO₂ dispensation rights under the 'Wet belastingen op milieugrondslag' that ensue from the additional CO₂ reduction realised by the tailor-made approach, in order to prevent a "waterbed effect". The effects hereof will be discussed in the coming period and worked out in more detail in the JLoI.

3.3 Intention 3 - reduction of bpRR's local environmental impact

1. This intention relates to emissions to air and water (other than CO₂) and external safety. Parties acknowledge that air quality in the Rijnmond area and nitrogen (NO_x) deposition on nearby nature conservation areas are important areas for cooperation. In addition, the development towards a sustainable operation of bpRR requires a continued focus on improving environmental performance. A sustainable operation is defined as an operation in line with the European Zero Pollution Vision. Parties acknowledge that a shared fact base,

application of high environmental standards and cost effectiveness are important principles for this intention.

2. bpRR is looking at the potential for the reduction of its NO_x emissions as part of its H-Vision project, including the following:
 1. gradual changes to furnaces between 2025 and 2030;
 2. potential replacement of burners in the furnaces with lower NO_x emission producing technology once operating on hydrogen (until the H-Vision plant becomes operational, the Refinery will need to continue to operate on a combination of natural gas and refinery fuel gas);
 3. conducting in situ tests on the furnaces with replaced burners to further understand the potential effects of scale-up for flame patterns and NO_x formation, assessing the effect on NO_x emissions.
3. The State has formulated sectoral targets for the reduction of NO_x emissions¹⁰ and is also developing an approach focused more specifically on the reduction of the deposition of NO_x and NH₃ in areas that have the Natura 2000 status¹¹, based on the European Habitats and Birds Directives.
4. Parties acknowledge that a reduction of nitrogen emissions by bpRR will contribute to the achievement of the sectoral targets as set out in article 3.3.3 above.
5. Based on the results of the tests mentioned in article 3.3.2.3, the Parties intend to discuss to what extent bpRR is able to contribute to the delivery of the currently stipulated Dutch NO_x policy's sectoral targets as mentioned in article 3.3.3 and to agree a NO_x emission reduction goal (bandwidth ambition 20-30% after completion of H-Vision) in the furnaces referenced in article 3.3.2 against a baseline average of 2019-2022.
6. The Parties acknowledge that the discussions in 3.3.5 will need to include an analysis of what measures are required to help bpRR achieve this NO_x emission percentage reduction, with the intention of realizing emission levels comparable to the lower end of the Best Available Techniques (BAT) Associated Emission Level bandwidth. This includes, but is not limited to, an analysis of the BAT, technical and operational feasibility, timing as well as what support is required from the State in terms of infrastructure, and (generic) financial mechanisms, while considering European principles regarding state aid.
7. bpRR intends to explore what is required to reduce other environmental emissions. In particular, bpRR will carry out a study with the objective to identify potential opportunities for (i) reduction of substances of high concern (ZZS) emitted to air and local receiving water bodies (according to EU regulation) and (ii) reduction of emissions of particulate matter, in both cases from the Refinery operations.
8. Parties will discuss the scope and outcome of the studies indicated above. With this, Parties intend to achieve a common understanding on potential next steps to reduce certain environmental emissions, taking into consideration the overall environmental improvement that can be achieved and other considerations such as commercial viability and available government support.

3.4 Intention 4 - green hydrogen (H₂) production & offshore wind

1. Subject to the State providing the necessary incentives for the production of green H₂ in the Netherlands, including an adequate intermediate route and the required high-purity hydrogen backbone, bp intends to explore the potential of green hydrogen production in the Netherlands.
2. bp, together with its partners, intends to explore the development of a project for green hydrogen production on the so-called Conversion Park at the 2nd Maasvlakte in the Netherlands, using renewable energy with a potential of up to 30,000 tonnes of green hydrogen production ('H₂-Fifty'), which could result in a reduction of up to 0.270 Mton CO₂ per year – not necessarily confined to the Netherlands – by displacing grey hydrogen in the wider industry.
3. The State intends to develop policies, also in anticipation of the REDIII, to enable investments in the green hydrogen value chain – market development, infrastructure

¹⁰ [Kamerbrief Voortgang integrale aanpak landelijk gebied, waaronder het NPLG, d.d. 10 February 2023](#)

¹¹ [Kamerbrief Voortgang integrale aanpak landelijk gebied en opvolging Porthos-uitspraak RvS, d.d. 25 November 2022](#)

development (power connections and hydrogen backbone), subsidies, credits and streamlining in permitting procedures.

4. The State wishes to explore whether it can provide incentives for green H2 into sustainable aviation fuel (SAF) comparable in form and level to the incentives for green H2 into road transport fuels as presented in RED III.
5. The Parties acknowledge that incentivizing the use of green H2 in SAF can serve as a platform for the scaling of green H2 production which, ultimately, can be used in many other industrial and transport decarbonization opportunities.
6. bp would like to stress that (i) the development of a more efficient tender process for wind project tenders by frontloading the tenders, and (ii) policies to support development of integration with offshore wind, is important to facilitate bp to develop its ambitions in respect of offshore wind and industry system integration with other decarbonisation projects in the Netherlands.

3.5 Intention 5 - Sustainable Aviation Fuel (SAF) production

1. bp intends to allocate its resources to mature a portfolio of SAF projects subject to bp's internal criteria.
2. Next to current projects to increase the processing of sustainable biorenewable and waste feedstocks, this portfolio includes the potential development of a SAF-unit at the Refinery, which, if realized, has the potential to reduce emissions in the aviation chain. The planned SAF-unit, when operational, would have the potential to produce about a quarter of the jet fuel produced at the Refinery.
3. Parties acknowledge the lifecycle CO₂ emission reduction potential in the Netherlands as one of the benefits of the use of these sustainable fuels.
4. bpRR has expressed that the potential construction and operation of a new SAF-production facility requires amongst others the following enablers, for some of which, the Parties also depend on third parties:
 - a. Timely realisation of permits for both the construction and the evaluation of the different feedstocks. Risks related to the permitting processes are to be addressed as well as pathways to accelerate these processes;
 - b. Reliable and timely electricity supply (upgrade 150KV Europoort station).
5. The State intends to explore pathways to incentivize and accelerate the availability of biogenic resources and non-recyclable municipal solid waste for SAF as an alternative to fossil-based jet fuel. The scope includes benefits/impacts of the waste-to-jet route, waste-to-fuels policies, blending mandates and (practical, technical, permitting) bottlenecks for collecting and using non-recyclable municipal waste.

3.6 Intention 6 – decarbonisation of transport

1. bp intends to further explore its aims and options in respect of EV charging, H2 and biofuel for road and mobility hubs in the Netherlands. This currently includes but is not limited to:
 - a. bp's aim to roll-out up to 200 ultrafast charging bays in The Netherlands by end 2023 via bp Pulse;
 - b. bp's plans to supply diesel for truck transport produced from 100% hydrotreated vegetable oil at up to 20 fueling stations in the Netherlands, with total volume of up to 30.000.000 liter on an annual basis by 2025 through the Dutch bp retail organization;
 - c. bp's collaboration and support of the Condor H2 project, which is a project aimed at enabling emission-free inland and near-shore shipping on hydrogen, using an innovative system of special 'tanktainers'¹².
2. Parties intend to explore various routes (including above mentioned solutions) to scale-up and expand markets for sustainable mobility solutions as a means to accelerate the decarbonization of Dutch (road) transport towards 2030.
3. bp has identified the most notable hurdles in respect of the potential plans as set out under 3.6.1:
 - for fast roll-out of EV charging: availability of land, net congestion (most importantly: freeing unused reserved electricity capacity) and timely permitting;

¹² [Condor H2 | Port of Rotterdam](#)

- for biofuels: timely permitting, lack of lab capacity for analysis of feedstock and the need for stability and confidence in the applicable rules, policies and incentives; and
 - complexity of policies and timely permitting to facilitate the development of recharging and refueling infrastructure, and accelerating incentives for lower carbon mobility solutions.
4. The State intends to explore policies to facilitate the rapid expansion of recharging and refuelling infrastructure at scale for zero emission mobility solutions. This includes the realisation of a modernised grid that supports EV electrification demands for both heavy duty as well as light duty vehicles, large scale smart charging solutions and the infrastructure needed to decarbonize road transport.
 5. The State intends to accelerate the incentives for zero emissions mobility solutions through stimulating schemes and by removing barriers.

4. Time schedule

The Parties share a joined sense of urgency. The Parties therefore have the ambition to agree on a JLoI in Q3 of 2024.

5. Costs

Each Party bears its own costs associated with this EoP.

6. Interpretation of terms and substance of this document

1. The terms of this EoP are solely meant to lay down the joint current understanding of, and the approach to and next steps to be undertaken jointly in an effort to realize the objective as set out under paragraph 2 of this EoP.
2. The terms of this EoP are not legally binding nor legally enforceable upon any of the Parties hereto.
3. The current EoP is only of an indicative, non-binding nature, which means inter alia that none of the Parties can be legally held to expressed intentions, statements, facts or numbers mentioned in this EoP, among other things because in this stage, such expressed intentions, statements, facts or numbers cannot and will not be fully verified by the Parties to this EoP and because none of the Parties want to enter into legally binding commitments with this EoP; the EoP only serves the goal of affirming the Parties' intention to engage in further discussions about the possibilities of additional CO₂ reduction.
4. Parties shall after signing this EoP begin discussions on a JLoI, which will more specifically describe the plans of the State and bpRR in this respect.
5. Parties confirm explicitly that (i) they shall have full discretion in agreeing on a JLoI or not, and in modifying, removing or completing any intentions, statements, facts or numbers mentioned in this EoP, and (ii) that at its sole discretion any of the Parties may terminate discussions at any time for any reason, in which case the terminating Party is not liable for any damages or compensation of costs towards (any of) the other Parties.
6. The Province of Zuid Holland is co-signing this EoP to express its support of the objectives and intentions of this EoP and to express its intention to participate in the upcoming discussions about the JLoI and possibly becoming a party to that JLoI.
7. This document is governed by and shall be construed in accordance with the laws of the Netherlands. Any dispute about the interpretation or implementation of this EoP will be resolved through consultations between the Parties.

7. Other

This EoP comes into effect on the signature date.

[Remainder of the page intentionally left blank – signature page on the next page]

Signed in the Hague on 16 November 2023 in four original copies, each in the English language.

Minister of Economic Affairs and Climate Policy,

acting in her capacity as administrative body (bestuursorgaan) and as representative of the State of the Netherlands,

By: Mrs. M.A.M. Adriaansens

State Secretary of Infrastructure and Water Management,

acting in her capacity as administrative body (bestuursorgaan) and as representative of the State of the Netherlands,

By: Mrs. V.L.W.A. Heijnen

bp Raffinaderij Rotterdam B.V.

By: Mr. B.M. Niemeyer-Pilgrim

By: Mr. C. Boot

The Provincial Executives of the Province of Zuid-Holland (Gedeputeerde Staten),

acting as administrative body (bestuursorgaan) and the royal commissioner of the Province of Zuid-Holland, acting as a representative of the Province of Zuid-Holland, on his behalf,

By: Mrs. J. Baljeu