

# How the board has engaged with shareholders, the workforce and other stakeholders

### Institutional investors

We regularly engage with our institutional shareholders through an active investor relations programme. COVID-19 has meant that this engagement had to move online for the majority of 2020. The pinnacle of this virtual engagement was bp week in September 2020, led by Bernard Looney and members of his leadership team. The team innovatively engaged with shareholders giving detailed insights into bp's new strategy and the 2025 and 2030 targets and aims. This engagement was also deliberately structured to allow for the increasingly important ESG constituency to be consulted in determining the targets and aims, including the overlay of the new sustainability frame in support of the new strategy.

The board receives feedback from shareholders in many ways, particularly through the chairman and leadership team who meet with investors throughout the year. Numerous one-to-one meetings with major institutional investors and proxy advisory groups were hosted by the chairman in 2020. These engagements generated much insightful feedback which was shared with other board members and committees with due regard being given to these views. A similar programme of engagement on matters relating to the 2020 directors' remuneration policy that was approved by shareholders at the AGM was undertaken during the year, led by the chair of the remuneration committee and senior independent director, Paula Reynolds. More details about this engagement are set out in the 2020 directors' remuneration report on page 103.

### Retail investors

In May we held our annual event for retail investors in conjunction with the UK Shareholders' Association (UKSA) and the UK Individual Shareholders Society. For the first time this event was held virtually. The chairman, company secretary and head of investor relations gave presentations on bp's annual results, strategy and the work of the board. Shareholders' questions were primarily focused on bp's response to the COVID-19 pandemic, bp's sustainability strategy and financial performance.

### AGM

In common with the practice adopted by many UK quoted companies, the 2020 AGM was held as a 'closed' meeting, with a minimum quorum present, in line with government rules at the time. Shareholders were invited to submit questions to the board before the meeting, all of which were addressed, and the event was broadcast live via webcast on bp.com.

As expected, voting levels saw a slight decrease with the pandemic and stay-at-home orders disrupting shareholder voting. The overall turnout was 62.1% of the total voting rights, including votes cast as withheld, compared to 67.1% in 2019 and 67.3% in 2018. All resolutions passed at the meeting in line with the board's recommendations.

At the date of this report, measures put in place by the UK government in response to the COVID-19 pandemic preclude bp from holding an AGM in person. In these exceptional circumstances, bp's 2021 AGM is planned to be a hybrid meeting. Shareholders will not be permitted to attend the meeting in person, but will be able to participate via bp's electronic meeting platform.

The board will continue to monitor developments in UK government guidance relating to the COVID-19 situation. If circumstances change materially before the date of the AGM, the board may decide to adapt proposed arrangements.

### Shareholder engagement cycle 2020

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|-----------|--|
| <b>Q1</b> | <ul style="list-style-type: none"><li>■ Fourth quarter and full-year 2019 results and strategy update</li><li>■ Ambition launch</li><li>■ Investor roadshows with the leadership team post the ambition launch</li><li>■ <i>bp Annual Report and Form 20-F 2019</i></li><li>■ <i>bp Sustainability Report 2019</i></li></ul>   |
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| <b>Q2</b> | <ul style="list-style-type: none"><li>■ First quarter 2020 results presentation</li><li>■ Investor roadshows with executive management following first quarter 2020 results</li><li>■ UKSA (retail shareholders') meeting with the chairman</li><li>■ Other institutional shareholder engagement with the chairman</li><li>■ 2020 AGM</li><li>■ <i>bp Statistical Review of World Energy</i></li></ul> |
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| <b>Q3</b> | <ul style="list-style-type: none"><li>■ Second quarter 2020 results and strategy presentation</li><li>■ Investor roadshows with executive management follow second quarter 2020 results and strategy</li><li>■ Capital markets event – 'bp week'</li><li>■ bp Energy Outlook presentation</li><li>■ Investor roadshows with the bp leadership team – capital markets event</li></ul>                   |
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| <b>Q4</b> | <ul style="list-style-type: none"><li>■ Third quarter 2020 results presentation</li><li>■ Investor roadshows with the bp leadership team following third quarter 2020 results</li></ul>  |
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## Workforce

### 2020 engagement

We believe an engaged workforce is critical to us successfully delivering our strategy.

When we talk about bp's workforce, we include a wide range of employees, contractors, agency and remote workers across all of our geographical locations.

The board is responsible for overseeing and monitoring bp's culture and its values. This extends to putting in place mechanisms allowing for workforce views to be reflected in board discussion and decision making, complementing existing mechanisms that are established by the leadership team.

Such measures include employees being informed on matters of concern to them through bp's intranet and local sites, social media channels, town halls, site visits and webinars including topics such as quarterly results, strategy, the low carbon transition and diversity.

We also have a number of employee-led forums and business resource groups (BRGs) and aim to build constructive relationships with labour unions formally representing some employees. Employees are consulted on a regular basis through regular team and one-to-one meetings and through our annual 'Pulse' survey.

The board believes that the approaches and mechanisms described under Site visits, below, enabled effective engagement opportunities with the bp workforce.

The board is satisfied that during 2020, these were effective alternatives to the proposed workforce engagement methods set out in Provision 5 of the UK Corporate Governance Code (the Code).

### Future of workforce engagement

As part of its broader review of bp's corporate governance framework, the board discussed whether its current approach to workforce engagement continues to be the most effective mechanism to inform its discussions and the decisions that it takes.

Building on the experience that we have had, and the innovative approaches that were taken to workforce engagement through 2020, the board has sought to create a more rigorous framework so that there is clear channel through which the insights emerging from this engagement process will be consolidated and considered in board discussions and decision making. The board also considered the significant changes to the workforce following reinvent bp and bp's wide geographic spread and size. Taking all these factors into account, the board concluded that for 2021 workforce engagement is best overseen by the newly constituted people and governance committee.

A regular programme of engagement has been developed. Some sessions have a specific engagement purpose while others will simply be an open opportunity to hear views, interests, ideas and concerns. It is intended that a number of these sessions will have no line managers to allow for an unconstrained exchange of views. Engagement locations will be varied across our global operations. Alongside this programme, the 'Pulse' surveys, bp 'Keeping Connected' sessions, site visits (even if virtual) and the chairman's programme of attendance at selected small team sessions will continue.

The board believes the existing approaches and mechanisms described above enable comprehensive two-way engagement opportunities with bp's workforce, and as such, is satisfied that these are effective alternatives to the proposed workforce engagement methods set out in Provision 5 of the Code.

Looking beyond 2021 the board will continue to assess the effectiveness of its engagement with the workforce and how ultimately this informs the decisions that it takes, including the options provided for in the Code, for example appointing a director from the workforce.

### Virtual engagements

During 2020 restrictions associated with COVID-19 disrupted planned opportunities for the board to engage with the bp workforce in person. As a result, most engagements were conducted virtually.

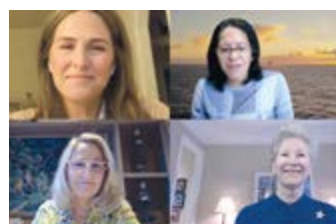
### Virtual site visits



The audit committee conducted a virtual visit and tour of bp's trading floors in London and Houston and a majority of our non-executive directors attended a virtual visit of bpx energy's Permian assets, led by the safety, environment and security assurance committee. During these visits, directors heard directly from the workforce regarding their perceptions of bp's new strategy and how these businesses planned to implement it, as well as deepening their understanding of businesses and functions within bp.

### Business resource groups and focus groups

Non-executive directors engaged virtually with employees in BRGs and focus groups throughout the year, including virtual events organized by the Women in Wells, Future Talent and One Young World alumni forums. Through these engagements the directors heard directly from employees on a range of topics, including bp's new purpose and strategy, employee sentiment – particularly during the reorganization of bp – the impact of COVID-19 on operations and wellbeing, diversity and career progression.



### CEO 'Keeping Connected' webcasts



Our CEO Bernard Looney hosted a series of webcasts featuring guests from across the organization to discuss a range of topics throughout the year, including bp's new purpose, safety, mental health, and reinventing bp. Helge Lund, chairman of the board, joined the CEO as a speaker on two of these webcasts and non-executive directors were also invited to listen in.

**>12,500**  
average viewers  
per webcast