Driving digital and innovation

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Forward-looking statements - cautionary statement

In order to utilize the ‘safe harbor’ provisions of the United States Private Securities Litigation Reform Act of 1995 (the ‘PSLRA’) and the general doctrine of cautionary statements, bp is providing the following cautionary statement: The discussion in this results announcement contains certain forecasts, projections and forward-looking statements - that is, statements related to future, not past events and circumstances - with respect to the financial condition, results of operations and businesses of bp and certain of the plans and objectives of bp with respect to these items. These statements may generally, but not always, be identified by the use of words such as ‘will’, ‘expects’, ‘is expected to’, ‘aims’, ‘should’, ‘may’, ‘objective’, ‘is likely to’, ‘intends’, ‘believes’, ‘anticipates’, ‘plans’, ‘we see’, ‘focus on’ or similar expressions.

In particular, the following, among other statements, are all forward looking in nature: bp’s new strategy to focus on low-carbon electricity and energy, convenience and mobility, cost and carbon resilient and focused hydrocarbons, including statements regarding its aims to maintain focus on safety and operational reliability and security, drive capital and cost productivity up, build partnerships with customers, research institutions, start-ups and other large companies to drive innovation and to amplify value through digital and innovation; bp’s plans and expectations to drive digital and innovation, including statements regarding bp’s plans and expectations to spend around $3 billion gross in innovation and engineering in 2020 and double capital investment in digital to around $1.5 billion gross on average per annum out to 2025, reduce bp’s operating costs by $1 billion by end-2023, access to around $1 billion net in enhanced revenues by 2025 and double that in 2030, focus capital investment on revenue enhancement in customer-facing businesses, plans to spend around $350 million per year on research and development including to orient that spend towards reducing carbon emissions, deliver a return of more than 25% from Ventures when combined with strategic value, return net cash to bp from 2025 onwards from Launchpad and Ventures; plans and expectations with respect to Launchpad businesses, including aspirations to create around 10 more new digital businesses by end 2022, the potential for Launchpad businesses to exceed $1 billion in enterprise value within 5 years, expectations regarding the plans and performance of Stryde, Lytt, Onyx, Fulcrum Bioenergy, Satelytics and other Ventures and Launchpad businesses; plans to transform bp digitally to enable platform business models; and plans to consolidate finance and accounting systems, integrate services and increase cross-selling; and expected returns on digital investment.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of bp. Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including: the extent and duration of the impact of current market conditions including the significant drop in the oil price, the impact of COVID-19, overall global economic and business conditions impacting our business and demand for our products as well as the specific factors identified in the discussions accompanying such forward-looking statements; changes in consumer preferences and societal expectations; the pace of development and adoption of alternative energy solutions; the receipt of relevant third party and/or regulatory approvals; the timing and impact of COVID-19, overall global economic and business conditions impacting our business and demand for our products as well as the specific factors identified in the discussions accompanying such forward-looking statements; changes in consumer preferences and societal expectations; the pace of development and adoption of alternative energy solutions; the receipt of relevant third party and/or regulatory approvals; the timing and level of maintenance and/or turnaround activity; the timing and volume of refinery additions and outages; the timing of bringing new fields onstream; the timing, quantum and nature of certain acquisitions and divestments; future levels of industry product supply, demand and pricing, including supply growth in North America; OPEC quota restrictions; PSA and TSC effects; operational and safety problems; potential lapses in product quality; economic and financial market conditions generally or in various countries and regions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; regulatory or legal actions including the types of enforcement action pursued and the nature of remedies sought or imposed; the actions of prosecutors, regulatory authorities and courts; delays in the processes for resolving claims; amounts ultimately payable and timing of payments relating to the Gulf of Mexico oil spill; exchange rate fluctuations; development and use of new technology; recruitment and retention of a skilled workforce; the success or otherwise of partnering; the actions of competitors, trading partners, contractors, subcontractors, creditors, rating agencies and others; our access to future credit resources; business disruption and crisis management; the impact on our reputation of ethical misconduct and non-compliance with regulatory obligations; trading losses; major uninsured losses; decisions by Rosneft’s management and board of directors; the actions of contractors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism; cyber-attacks or sabotage; and other factors discussed elsewhere in this report, and under “Risk factors” in bp Annual Report and Form 20-F 2019 as filed with the US Securities and Exchange Commission.
Our strategy – an IEC delivering solutions for customers

Transform core operations

Extend customer access

Reduce carbon emissions

Drive adjacencies
Introduction

Innovating our way to net zero

Licence to innovate

Idea → Incubation → Scale

Licence to operate

Safety, engineering, digital security
Digital and innovation agenda

Options for value growth

- Transform core operations and extend customer access
- Reduce carbon emissions
- Drive adjacencies

Our track record

How we compete
Options for value growth – transform core operations and extend customer access

Net impact of digital investment\(^1\)

\(~\$1\text{bn}\) by end-2023 reducing fixed and variable operating costs\(^2\)

\(~\$1\text{bn}\) prize by 2025 through production, asset optimisation and extending customer access\(^3\)

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1. All figures are EBITDA
2. Relative to 2019
3. 2020-2025 price assumption of $50/bbl for Brent and $3/mmBtu for Henry Hub gas (2020 real)
Harnessing science and engineering

Options for value growth – reduce carbon emissions

Low carbon fuels and power supply

Transport electrification

Hydrogen and Carbon Capture and Storage

Methane emissions measurement and mitigation
Options for value growth – drive adjacencies

An innovation engine to grow and accelerate new value

**Purpose**

Origination of minority investment for preferential access to technology

**Focus**

Core business, plus:
- Power and storage
- Advanced mobility
- Digital transformation
- Bio and low carbon products
- Carbon management

~$650m

bp ventures investment fund

25%

Expected rate of return including strategic value

45

Number of portfolio companies

Launchpad

**Purpose**

Business-building and scale-up of majority investments

**Focus**

Digital adjacencies:
- Intelligent sensing
- Intelligent commodities

10-15

Number of businesses expected by end-2022
Options for value growth

- Transform core operations and extend customer access
- Reduce carbon emissions
- Drive adjacencies

Our track record

How we compete
Our track record
Driving production uplift and cost reduction

Digital upstream

$1bn unlocked

over 3 years, building common data and digital platforms

(1) Net cash impact pre-tax, before investment
Enabling customer access to energy and mobility in India

>10m litres sold

78% customer satisfaction score

>75,000 registered customers
Our track record

Reducing carbon emissions

Predictive wind analytics

225 GWh pa of wind capacity improvement

reducing 100,000 tonnes pa of CO₂
Our track record
Sustainable fuels production

11m gallons p.a.

of municipal solid waste to jet fuel capacity under construction

Waste to fuels

Fulcrum BIOENERGY
US forestry offsets delivered across 21 states, allowing several hundred million dollars to flow into forests.
Digital and innovation agenda

Options for value growth

• Transform core operations and extend customer access
• Reduce carbon emissions
• Drive adjacencies

Our track record

How we compete
How we compete

Core capabilities augmented and integrated

**People**
- bringing together science, digital, engineering and entrepreneurialism

**Partnerships**
- co-creating solutions with innovative organisations

**Platforms**
- integrating products and services with digital supply chains and operations
How we compete

Inspiring people with a new ambition

People → science → digital → engineering → entrepreneurialism

bringing together
Enabling exponential growth through digital platforms

How we compete:

- One digital platform
- Customer data and needs
- Targeted cross-selling
- Tailored offers
- Price optimisation
- Customer delight
- Quick payback

Investment in digital platform

network effects
How we compete

Co-creating solutions with innovative organisations

- Global technology hubs
- Venture Capital and Banks
- Strategic academic relationships
- Leading subject matter experts
- Internal R&D and Innovation
- Start ups
- Universities and research institutes
- Service companies
- National oil companies
- Operators
- Adjacent sectors
- Partners
- Customers
- B2B
- Governments
- Johnson Matthey
- Princeton University
- Jaguar
Driving digital and innovation

- Our licence to innovate is predicated on our licence to operate
- Providing ‘innovation as a service’ to bp and its customers
- Doubling our capital investment to enable a $2bn net prize
- Building new businesses in digital adjacencies