



Partnering with countries, cities and industries

William Lin

EVP, regions, cities and solutions



Cautionary statement

Forward-looking statements - cautionary statement

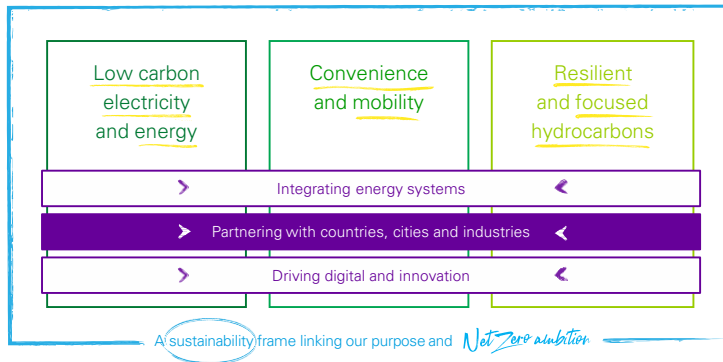
In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA') and the general doctrine of cautionary statements, bp is providing the following cautionary statement: The discussion in this results announcement contains certain forecasts, 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 make a material impact on global emissions and build partnerships with countries, cities and industries in decarbonisation efforts, including statements regarding its aims to focus on 10 to 15 cities, industrial corridors and three industrial sectors which are high tech and on consumer products, heavy transport and heavy industries, help cities and industries develop decarbonisation plans and reduce carbon emissions while creating new business opportunities, provide capabilities, including integrated energy and mobility solutions, prioritise partnerships with cities based on decarbonisation goals, relationships with bp and potential for scale or adjacent opportunities, prioritise partnerships with corporates based on scale of emissions, aligned ambitions and potential for strategic relationships and acquire or develop capabilities to support decarbonisation or partner with companies that provide these capabilities; bp's shift of its product portfolio to be more integrated, decarbonised, bespoke and customer centric, including statements regarding its aims to develop new integrated energy and mobility solutions that can support the energy transition, integrate existing businesses, access new markets, increased revenue and improved margins, develop decarbonisation advisory services, extend the reach of its products and solutions; expectations to be a value multiplier for bp, including by integrating across bp's businesses and to be recognised as the market leader in digitally enabled energy and decarbonisation services and solutions; bp's ambition to be a net zero company; and bp's expectations regarding shifts in energy markets and government and corporate emissions targets and policies.

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 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.

September 2020

Our strategy – an IEC delivering solutions for customers



Focus on 10-15 cities and 3 industries

Transition pathways and jointly developed, bespoke solutions with partners

Dedicated origination team

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Thank you Carol and hello everyone.

I'm William Lin, and I lead regions, cities and solutions.

I am really excited to tell you what we are planning to do in, partnering with countries, cities and industries.

As you have heard, this area is one of three sources of differentiation that enables us to achieve our purpose and amplify value to bp.

As Spencer said on Monday, the world is changing – the carbon budget is finite and running out fast, consumers are demanding change, and we are listening and we are reacting.

We want to make a material impact on global emissions for our customers and our planet.

There is a growing opportunity for us to do so.

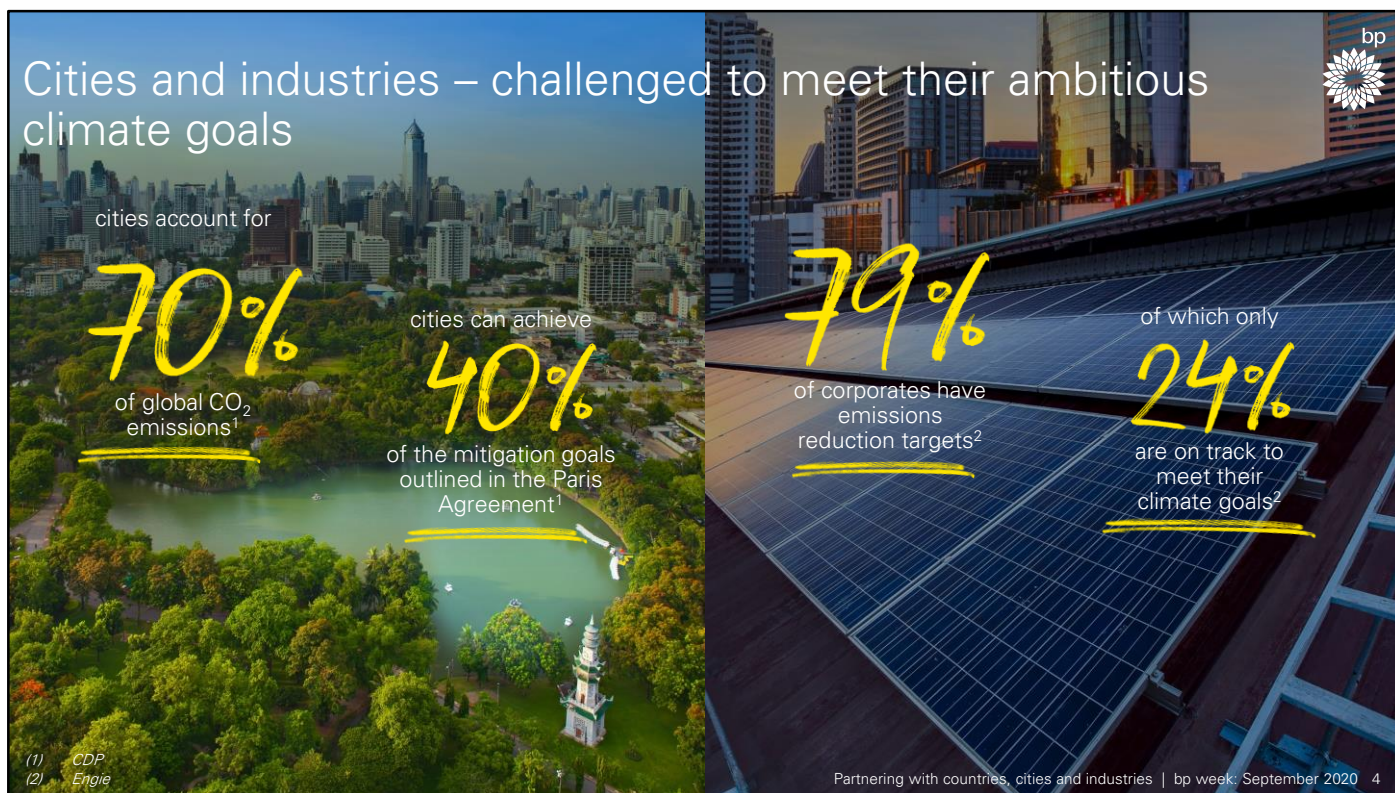
We announced on August 4th our intent to partner with countries, cities and industries, and to focus on 10-15 cities and three industrial sectors which are high tech and consumer products, heavy transport (including aviation, marine and land freight) and heavy industries (including cement and steel).

We have created a dedicated team, consistent with our Aim 10, called "Regions, Cities & Solutions".

This team will leverage relationships and build new partnerships to provide integrated energy and mobility solutions to help cities and industries reduce carbon emissions while creating exciting business opportunities.

I want to share 5 key things with you today:

- Why we see potential in this new area;
- Where will we focus in terms of markets and why;
- What we have learned from potential customers so far;
- How we will integrate our businesses to bring the best of bp to our customers; and
- Why we believe we can do this well, including what we need to develop.



Let's start with cities.

Cities are home to about half of the world's population but generate 70% of CO₂ emissions, and we expect both figures to grow with increased urbanisation over time.

Cities are critical to the progress of the energy transition. Research suggests that cities have the potential to achieve 40% of the carbon mitigation goals outlined in the Paris Agreement, but it cannot be done alone and they can reach their climate goals faster with the help of the private sector.

We're seeing cities address this in both a greenfield and a brownfield manner.

For example, Indonesia is planning to move their capital from Jakarta to East Kalimantan at a cost of over \$30 billion.

China is investing in smart city initiatives and creating clean energy industrial parks, new cities such as Neom in Saudi Arabia will only use renewable energy, and established cities like London are investing heavily in energy efficiency and clean mobility.

However, we're seeing that many cities need support to implement change.

Their challenges range from having ambitions but needing help with plans, or having plans but needing the capabilities to execute them.

Looking at corporates, the story is similar.

In recent years, the number of corporates with emissions reduction targets have increased, and this trend is expected to continue.

Leading corporations are also committing significant capital to deliver their climate goals.

Amazon has a \$2 billion fund to invest in low carbon technologies.

Delta airlines has pledged \$1 billion to become the world's first carbon neutral airline and there are many more.

However, while nearly 80% of major corporates have ambitions for carbon reduction, only about a quarter are on track to meet them.

The transition to a lower carbon future is incredibly complex.

It requires long term financial commitments, in an environment where there is regulatory and technical uncertainty, and integration of existing and emerging technologies.

This is where we come in.

We believe we have a distinctive role to play in energy and mobility decarbonisation.

We will work with cities and key industries which include major corporates, to help them develop their plans and provide the capabilities to execute them at scale to their benefit and to that of the planet.

We are a new organisation with an exciting and unique remit.

We will continue to establish, manage and nurture relationships with governments, businesses and customers in the countries and regions where we operate.

In many countries we have been present for many decades and we have a long history of building partnerships and understanding our customers.

We have stood up a new team, which is empowered to act in an agile, joined up and customer centric manner.

We will identify and deliver integrated energy and mobility solutions to help customers decarbonise by bringing together bp's capabilities, products and services and with our partners, creating value greater than the sum of its parts.

In turn, we intend to create new business opportunities and access new markets that will amplify our returns as we shift our portfolio to meet our ambition and our aims.

Our focus areas



Cities

10-15 cities

prioritised based on:

- **Commitment** to decarbonise
- Existing **relationships** with bp
- Potential to **integrate** and **reshape** regional energy systems

Partnerships



We will **collaborate with partners** to provide the complementary skills and capabilities that our customers need



Corporates

3 industrial sectors

- High tech and consumer products
- Heavy transport
- Heavy industry

Prioritised based on:

- **Scale** of emissions
- **Aligned ambitions** towards net zero
- Potential for **symbiotic** and **strategic** relationships

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Let me tell you how and why we chose the 10-15 cities and three industrial sectors.

We're starting with 10-15 cities because they represent a sufficiently material opportunity while enabling us to focus, learn and optimise our business models before scaling up further.

These cities will be prioritised based on their own decarbonisation goals and relationships we have with them.

We'll also look at the scale or potential role of these cities within their regions and countries in terms of the ability to build adjacent opportunities.

In addition to cities as municipalities, we'll look at industrial corridors - areas with a dense population of industry, effectively creating a cross-over between cities and industries.

It's worth noting that the ecosystem of a city and who our customers are will not just be the municipality itself, but also the corporates and industries that operate within them.

On the corporates front, we have prioritised 3 industrial sectors: high tech and consumer products, heavy transport and heavy industry.

These industries currently have significant carbon emissions to manage, are under pressure to decarbonise and therefore we believe our products and services can support their energy transition journeys.

There are two things we'd like to do in this space.

Firstly, we want to play a leading role in the macro-decarbonisation of these industrial sectors and we know that no one company can do this alone without broad collaboration and commitment.

Secondly, within these sectors, we will prioritise corporates based on the scale of

emissions, aligned ambitions and the potential for strategic relationships.

There will also be corporates we work with where the relationship is symbiotic - we help them, they also help us and together, we can work to support others through their energy transition.

We acknowledge that we don't have all the answers.

That's why we're keen to create new partnerships.

We want to work with companies who have aligned goals and have technologies and capabilities that complement ours.

This will enable us to offer a potentially wider range of solutions for what our customers want.

If it makes sense, we may also acquire or develop those capabilities in-house.

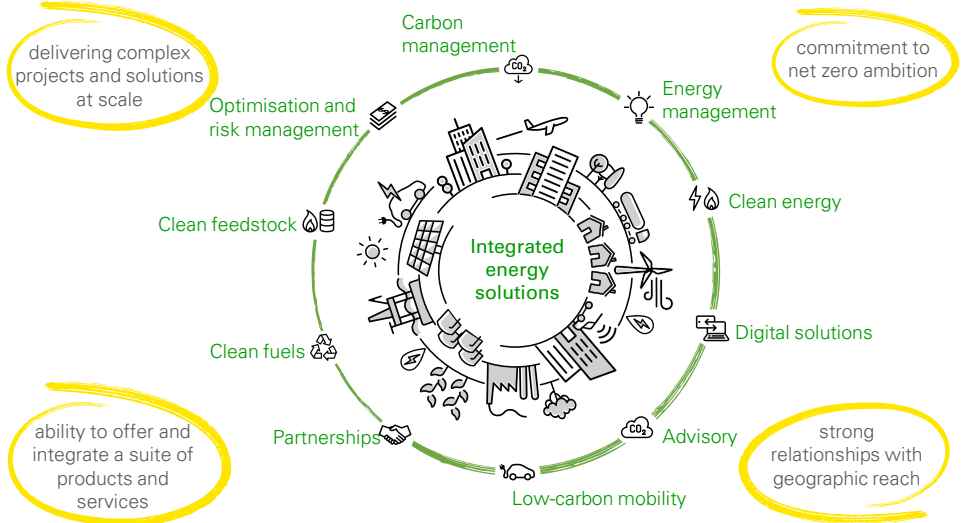
What do customers want?



When it comes to **decarbonising and climate action**, customers want:

- Clean, firm and affordable energy
- Energy efficient buildings
- Low emission mobility
- Carbon management
- Waste to resources

bp has the **capabilities** and can **integrate** across its businesses



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So, what do our city and industrial customers want?

Energy is key to development – but it needs to be clean, firm and affordable.

Buildings need to operate efficiently, minimising waste and re-using it or converting it into an energy source.

Carbon management can support climate goals through things like natural climate solutions and CCUS.

And mobility solutions and clean fuels should create zero or near-zero emissions.

Giulia also spoke about People as part of sustainability. Efficient and harmonious cities depend on healthy populations, both mentally and physically, and populations who have access to sustainable livelihoods with a clean living and working environment, equal access to meet their basic needs and an equal place in society.

All these things contribute to improving peoples' lives, which is an important part of our purpose.

We know that there isn't one single solution to decarbonisation and we believe our customers want help along the energy transition journey that is longer-term and more enduring.

This transition is also complex - these projects need to be woven together and could sometimes evolve over time as technology advances, and we believe we can help in several ways.

Firstly, by showing up as a 'single face' to customers in providing a diverse set of products and services from across bp.

Secondly, by actively maintaining key strategic relationships and accounts over the long-

term using our experience and skills.

And, most importantly, by managing this complexity for our customers – developing innovative solutions and providing them as a service.

This is a new area – while we believe we have a lot to offer in terms of what we can already do, we also have a lot to learn.

We're developing our offers and are confident in our capabilities because of our track record of delivering complex energy projects, strong relationships in the regions where we operate, and finally, our ambition of being a net zero company and helping the world reach net zero – this creates real alignment with our customers.

If we use a city as an example, we can 're-imagine' what that may look like in the future.

A city is a complex ecosystem with multiple nodes including consumers, businesses and government.

Imagine a city in the future:

That moves on decarbonised transportation; zero-emission buses and trains, integrated with autonomous vehicles, and enabled through fast charging and hydrogen stations.

With buildings that are smart and energy efficient using sensors and AI that optimises use and lowers costs.

That is powered largely by solar, wind and bioenergy, supported by gas-fired power to overcome intermittency challenges, and optimised through energy storage and trading.

That has partnerships with ride-hailing companies to decarbonise their fleets, and with airlines and airports to produce and supply sustainable aviation fuel from municipal waste.

Where quality of life is enhanced by offsetting any remaining emissions through natural climate solutions:

- increasing the resiliency of the city;
- improving air quality;
- enhancing biodiversity; and
- potentially generating revenue through carbon offsets.

With hydrogen ready gas infrastructure and a CCUS facility that enables the capture of millions of tonnes of CO₂ per year from industries in the city, enabling decarbonisation and industrial growth through green and blue hydrogen.

All of this managed through an integrated, cross-business digital platform with a customised user-friendly interface.

This is by no means a stretch, in fact many of these products and services are ones we can provide as bp today.

Earlier, Dev talked about renewables, bioenergy, CCUS and hydrogen.

Carol just told you about our capability to integrate energy systems.

Emma will be on next to speak about EVs, mobility solutions and sustainable aviation fuels, and tomorrow, David will talk about the role of venturing and digital in the reinvented bp.

Of course, we can't forget that all of this is underpinned by Gordon's team who have the project execution and operations capabilities.

And for the capabilities we don't have – as I mentioned before, we'll develop them, acquire them and/or select the right partners.

Amplifying value...

through our **products and services** that create **bespoke end-to-end solutions** for energy transition



...through new business models

advisory
to help shape pathways to net zero

Extending the reach for bp's
products and solutions

Energy management and decarbonisation as a
service

As I said before, the energy transition is both massive in scale and complex.

We understand complexity – or at least we can say we know how to deal with it – and importantly, there is value in managing it.

Although we're a nascent business, we believe we can add or amplify value for bp.

Firstly, by accessing new markets: cities, industries and corporate customers.

This is a business area we haven't tapped into before and could open many growth opportunities.

We believe there is value in our products and services that, when bundled together, create bespoke end to end solutions for our customers.

Our new, integrated organisational structure should enable this and as an integrator, we are set up to do this – the horizontal across the verticals.

We also believe our commercial optimisation and risk management capabilities and emerging digital solutions will be an important source of value from adjacencies as we participate in these ecosystems.

Most importantly, and looking at the energy transition longer term, we aspire to play a leading role in the development and operation of new and decarbonised energy systems.

We're going to access these value pools by exploring new business models including advisory to help shape pathways for customers towards net zero, extending the reach and sale of our products and solutions, and ultimately, as we evolve to become an Integrated Energy Company, we want to be recognised as the leading player in energy management and decarbonisation as a service.

These are some new sources of value emerging from our strategy, and now let me tell you

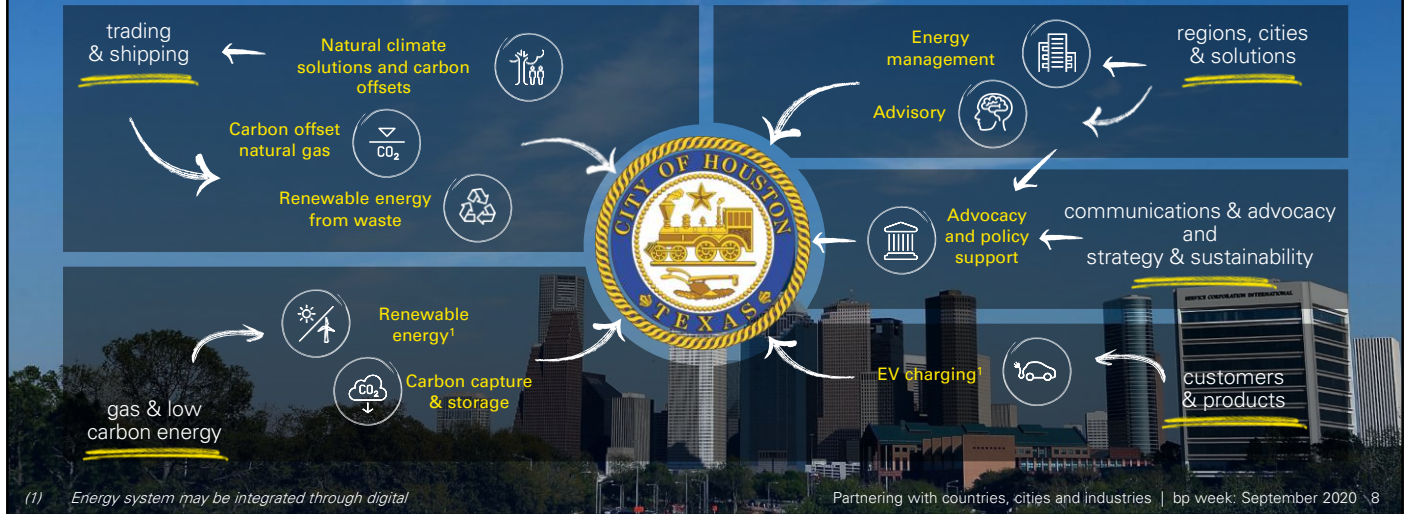
about some of the progress we've made so far working in partnership with cities and industries.

Cities – Houston is targeting net zero by 2050



“Partnership is key to the success of any community-wide initiative and bp’s recent commitment to net zero emissions and helping cities decarbonize makes them an ideal implementation partner for the Houston Climate Action Plan”

Mayor Sylvester Turner



Earlier this year, the city of Houston made a pledge to become net zero, just like us.

bp has a long and great relationship with Houston after decades of oil and gas operations.

You could say that we are on the same journey to reinvent ourselves.

I am thrilled to say that the city of Houston has chosen to work in partnership with us, and we have signed a Climate Action Plan Agreement with them.

Houston emits more than 30 million tonnes of CO₂ per year and is rightly concerned about becoming more climate change resilient.

To combat this, they drafted a comprehensive Climate Action Plan which focuses on transportation, materials management, energy transition and building optimisation.

Houston has already made significant progress in the area of renewable power, but together there is much more we can do more broadly.

We will provide planning advice on the agreed focus areas and expect to participate in their future implementation.

In turn the city can help enable decarbonisation and pace through effective policy.

We also recently signed a ‘Memorandum of Agreement for Energy Transition Co-operation’ with the city of Aberdeen to support their ambition to become a climate positive city.

While Aberdeen is smaller in population than Houston, it is positioning itself as a world-leading hydrogen hub in the UK and in NW Europe given its significant wind power potential.

In addition, it is implementing energy efficiency for buildings and optimising district heating, accelerating adoption of low carbon fleet mobility and moving towards a circular economy.

Aberdeen as a traditional oil and gas employment market is also a great example of how working in partnership could support - reskilling the workforce, and sustaining local economic development through a just energy transition.

This is just the start of what we expect to be a journey towards net zero.

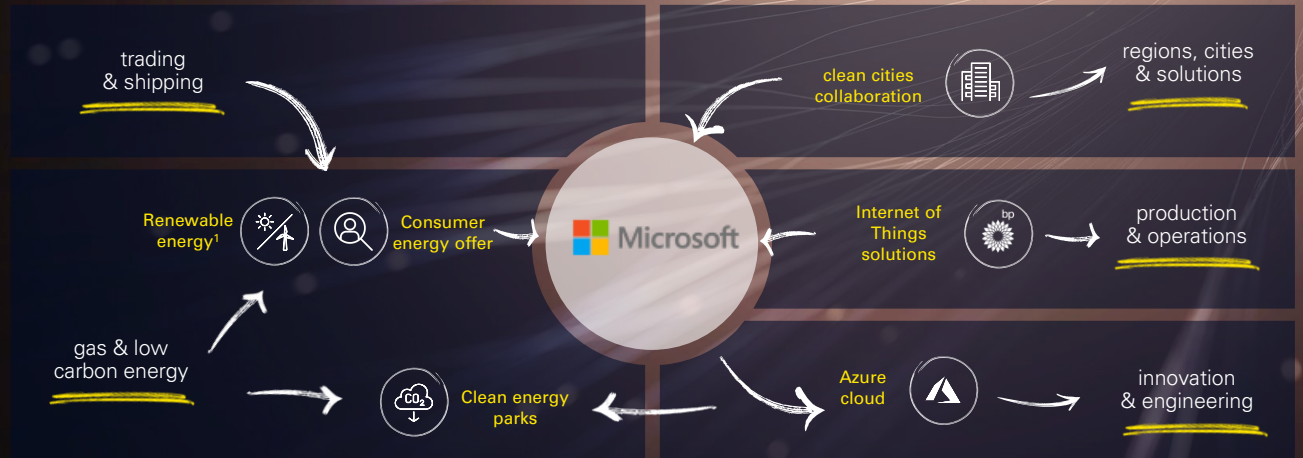
Houston and Aberdeen are not the only ones, there are many other cities who have embarked on this journey that we want to work with and with whom we are progressing discussions.

And it's not just about cities, we also want to help industries and corporations decarbonise.

Corporates – Microsoft will be carbon negative by 2030



"The commitment to being carbon negative by 2030 means that we will now have to make sure that all our data centre operations are first consuming renewable energy"
Satya Nadella, CEO Microsoft



(1) Energy system may be integrated through digital

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Microsoft is a good example of a high tech, corporate we have had a long relationship with and are now embarking on a new chapter of cooperation.

Microsoft is one of the largest companies in the world, a technology giant with a very strong brand globally.

They have gone above and beyond by not only pledging to be carbon negative by 2030, but also to remove all historical emissions from when they were founded by 2050.

They also set up a \$1 billion climate innovation fund.

We signed an agreement with Microsoft, recognising each other's capabilities, to explore how we can collaborate to accelerate our sustainability goals and help the world decarbonise.

Through our discussions we found we were aligned in so many ways – we both have ambitious carbon reduction goals, want to decarbonise operations and value chains through technology and want to help the world to accelerate the pathway to net zero.

We see this as a strategic relationship cutting across many of our verticals, where Microsoft can help bp with innovative, digital technologies and where we can supply them with clean energy.

We are exploring the possibilities of working together looking for opportunities to help others with digitally-enabled lower or zero carbon solutions, for example in the area of cities where both companies see huge potential of bringing together our respective capabilities.

We are already furthering our partnership in a very tangible way.

We recently signed an agreement with the aim of supplying long-term renewable power to

a number of key Microsoft data centres and extended our agreement for the use of Azure in service of accelerating bp's digitisation strategy.

This is a great example of the symbiotic partnership I mentioned earlier where we are not only helping one another but also partnering together to support others on their carbon reduction goals.

We hope to share more exciting opportunities in the coming months.

Our journey – from start-up to established business



Today

*Clean Cities
and
Corporates*

Launch a new team to create integrated energy and mobility solutions

Strategy **focused on 10-15 cities and 3 industrial sectors**

Working in partnership with Houston, Microsoft and Aberdeen

Continue to build **momentum, capabilities and new business models** with increasing city and corporate customers aligned with our strategy

Create **trusted network of partners** that complement our offer

2030

Be recognised as the **market leader and partner of choice in decarbonisation** of cities, corporates and industries

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We are starting from a great place.

We have deep relationships based on mutuality in the regions, countries and cities where we operate.

We have a strong track record of delivering complex energy projects.

We understand the interconnected environmental and social issues.

We have a portfolio of products and services that we believe is valued by our customers and that can help meet their needs for the energy transition towards net zero.

We still have a lot to do and a lot to learn.

It's early days but encouraging so far from the feedback in the market.

We started with delivering Aim 10 - launching a team to create integrated clean energy and mobility solutions.

We want to focus on attracting the best talent – internally and externally – to build a world class organisation.

At tier 2 leadership, we already have a strong, capable and energized team in place centrally and regionally.

We are now creating insight and offer development capabilities, integrated business development teams for cities and corporates and a solutions delivery and key accounts management team.

We have also selected our near-term focus areas; 10-15 cities and 3 industrial sectors.

And we've made great progress so far; working in partnership with Houston, Microsoft and

Aberdeen.

We want to be a value multiplier for bp, starting by integrating across our businesses to bring the best of bp to our customers and ultimately be recognised as the market leader in digitally enabled energy and decarbonisation services and solutions.

We're adopting a start-up mentality – customer focused, nimble, curious and willing to learn.

We are not the first to do this.

Entering this new space brings new competitors and potentially new partners as well – but we believe there is sufficient differentiation and significant opportunities for us to be successful.

We hope you are as excited about Regions, Cities & Solutions as we are.

Now let me show you a short video to close, then we'll be taking a break before hearing from Emma on convenience and mobility.

Thank you for listening!