



Reimagining energy

Giulia Chierchia
EVP, strategy and sustainability

Thank you, Bernard. Good morning, good afternoon and good evening to everyone. It is a pleasure to be here. My name is Giulia Chierchia and I am responsible for strategy and sustainability in bp.

Cautionary statement



Forward-looking statements - cautionary statement

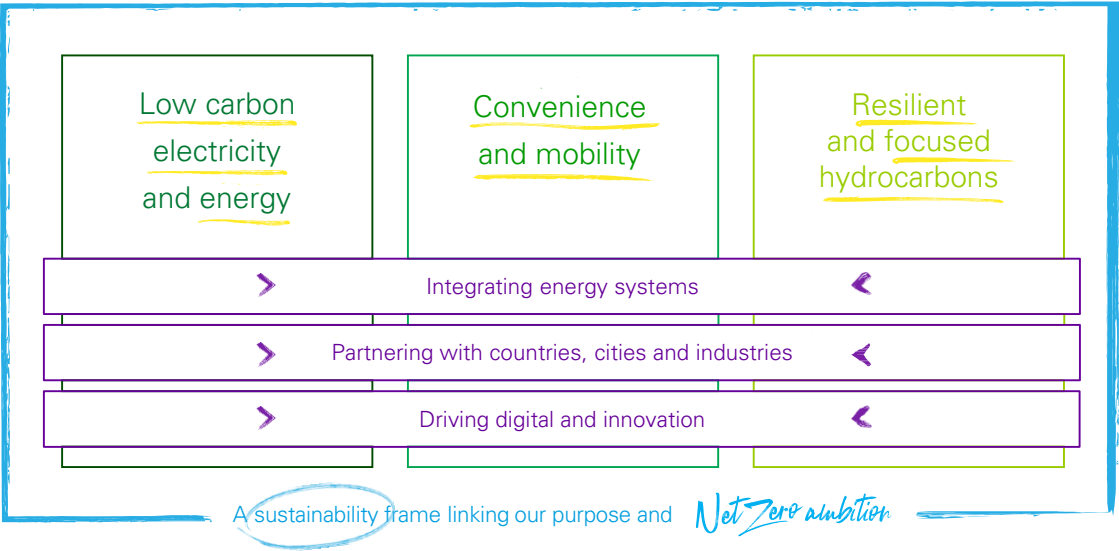
In order to utilize the ‘safe harbor’ provisions of the United States Private Securities Litigation Reform Act of 1995 (the ‘PSLRA’) and the general doctrine of cautionary statements, bp is providing the following cautionary statement: The discussion in this results announcement contains certain forecasts, 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 focus on operational improvements, low-carbon electricity and energy, convenience and mobility, cost and carbon resilient and focused hydrocarbons, including statements regarding its aims to increase low-carbon investment 10-fold by 2030 and up to 8-fold by 2025, develop around 50GW of net renewable generating capacity by 2030, maintain focus on safety and operational reliability, support carbon offsets, advocate for policies that support net zero, incentivise employees and leadership to focus on carbon and emission reduction, set new expectations for relationships with trade associations, develop hydrogen business, modify bp’s exploration strategy, including in the most sensitive protected areas, build partnerships with countries, cities, industries and others in decarbonisation efforts, and to increase next generation mobility solutions; bp’s new sustainability frame focusing on net zero, people and planet, including statements regarding targets and aims for 2025, 2030 and 2050 with respect to operational emissions, carbon content of its oil and gas operations, the carbon intensity of products bp sells, new ‘measurement approach’ to methane emissions and bp’s aims and targets to reduce methane intensity in its operations and aims to increase the proportion and amount of investment into non-oil and gas businesses over time; bp’s expectations regarding shifts in energy markets; bp’s plans to support Natural Climate Solutions, promote cleaner environments and sustainability in its supply chain and among its business partners, enhance biodiversity at existing sites and achieve net positive impact on biodiversity in new projects; bp’s plans and expectations relating to making a difference in the societies in which it works through sustainable development and promotion of sustainable livelihoods and equality; and bp’s plans and expectations to set aims and objectives for its new strategy focus and ambitions and to be transparent about progress, including plans to undertake independent third-party assessments for selected sites and business activities.

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

Sustainability is a critical foundation of our strategy



Reimagining energy | bp week: September 2020 3

As Bernard mentioned, in February we announced our new purpose and net zero ambition, setting the direction for bp out to 2050.

In August we shared our new strategy and financial frame to enable our transformation from International Oil Company to Integrated Energy Company.

Sustainability is a critical foundation of our strategy



A sustainability frame linking
our purpose and *Net Zero ambition*

Reimagining energy | bp week: September 2020 4

Today, I will introduce our new sustainability frame.

Our new frame links our strategy to our purpose – reimagining energy for people and our planet.

It includes our net zero ambition and aims, as well as our wider approach to environmental and social issues.

I plan to cover four areas:

First, I will reflect on our track record on sustainability.

Second, I will explain why we feel that now is the time to make our sustainability efforts more strategic and focused.

Third, I will share the new frame and update you on our progress on our Net Zero Aims.

And fourth, I will close with how we plan to embed the frame at the core of everything we do – in our DNA.

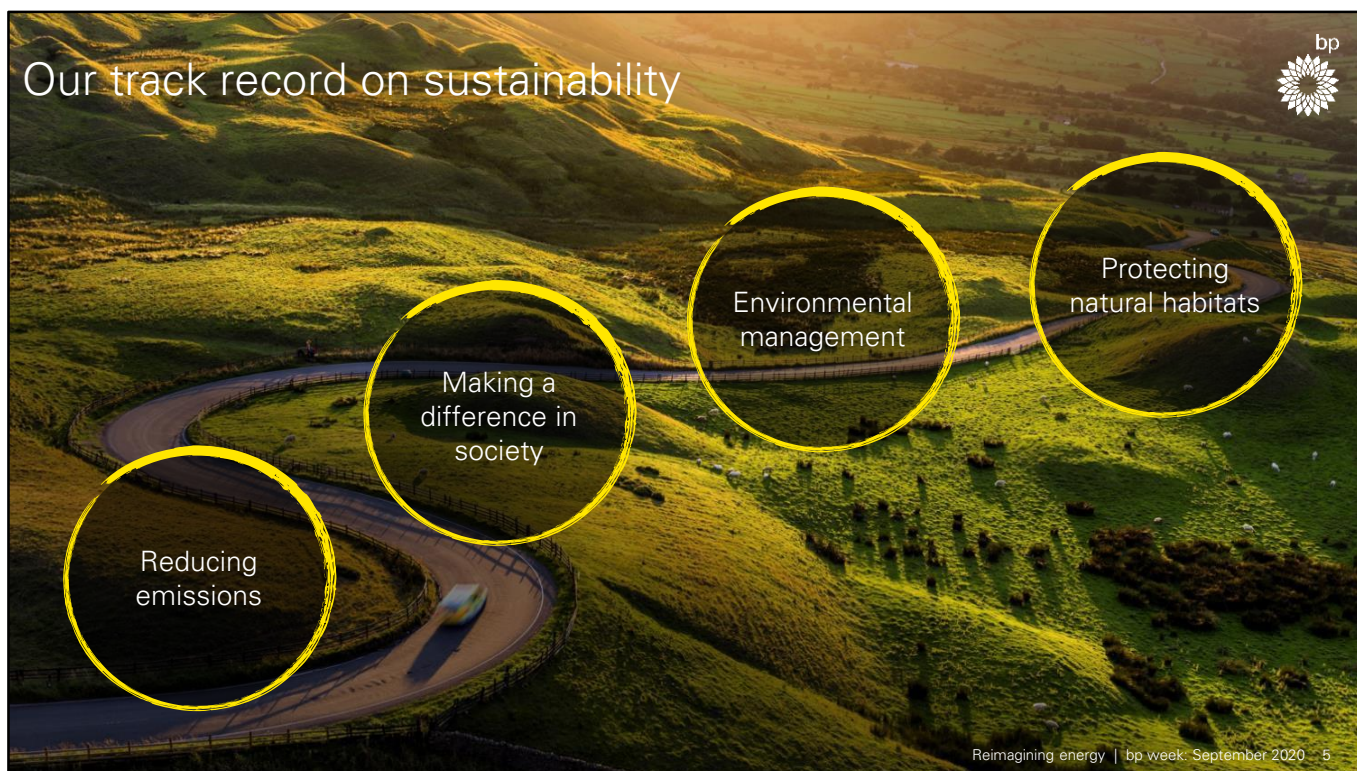
What I am presenting today represents a work in progress. Some areas are more advanced than others. This is a journey and we want to bring you – our stakeholders – along with us.

So we want to be transparent and share our thinking as we are building and evolving the frame.

Our commitment to sustainability is deeply held.

And the frame is built on strong foundations: our values; a focus on safety in everything we do; and a non-negotiable commitment to ethics and compliance in line with our

code of conduct.



Turning to our track record, let me start by recognising we have had accidents in the past. Those accidents have shaped bp as it is today. We've worked hard to learn from them and to embed the lessons we have learned.

At the same time, we do believe that there is much to be proud of. We have a long history of good environmental and social management. Let me share a few examples.

First in reducing emissions. In 2018, we set ourselves three targets under our previous Reduce Improve Create framework. And we have delivered.

We targeted 3.5 million tonnes of sustainable emissions reductions for the period 2016 to 2025.

We met this target six years early and are going further. We are on track to have delivered around 4.8 million tonnes by the end of 2020.

We targeted: 0.2% methane intensity.

In 2019, we delivered a methane intensity of 0.14%, under existing reporting protocols.

The 10 aims we introduced in February have now replaced our previous framework and targets. They represent another step-change in our ambition.

Beyond emissions, we have been active across a range of sustainability issues.

Next, in making a difference in societies in which we work.

We contribute around the world as an energy provider, an employer, a taxpayer, a supply chain participant and an investor in local communities. In 2019 alone, we generated over \$283 billion in economic value.

Our products and services improve the quality of life for millions of people. And we work to conduct our activities in ways that provide social benefits and respect human rights, in line with our global human rights policy in place since 2013.

We invest in sustainable development projects that align with local needs and we aim to recruit our workforce nationally and locally.

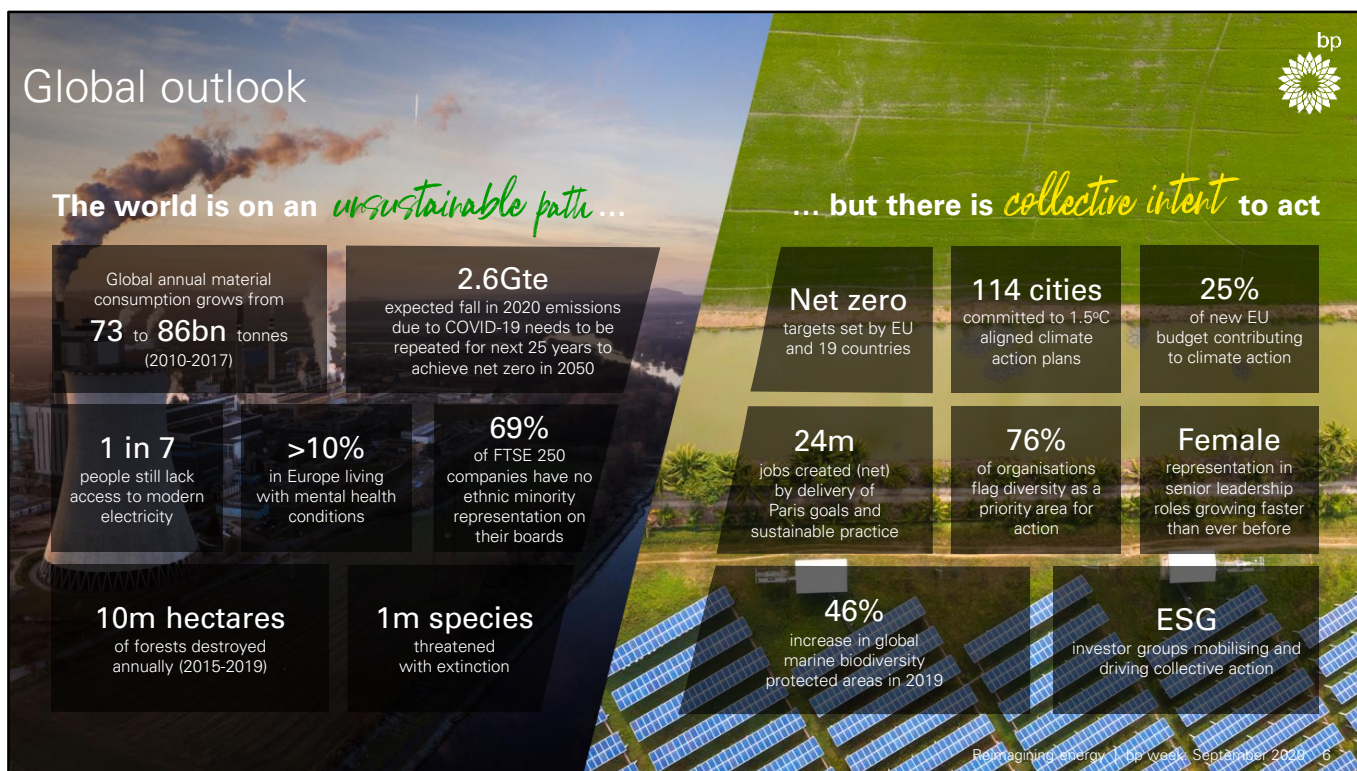
As we deliver our new strategy, over time, we see an increasing share of our economic value being generated by our growth businesses.

We also have a long history of systematic environmental management.

Since 1998, we have implemented a leading environmental management standard – ISO 14001 - at our major operating sites.

Finally, we contribute to protecting our natural environment. I will describe our latest biodiversity and natural climate solutions efforts in more detail later. Before I do, let me highlight our involvement with forestry projects that have helped reforest or protect more than three million acres to date.

But we nonetheless believe that the time is now right to progress a more holistic and strategic approach to sustainability. Let me explain why.



We have seen how, around the world, access to energy is associated with improvements in education, health and economic growth.

But we recognise the world is not on a sustainable path.

One measure of this is Earth Overshoot Day. This is the day each year when human demand for ecological resources is estimated to exceed what the Earth can regenerate in that year.

This year, Earth Overshoot Day was August 22nd – meaning that for each of the following 131 days until the end of the year – humanity will be using more resources than can be renewed in this year.

This is just one measure. But however you measure it, the data shows red lights flashing across the dashboard.

On emissions: average global temperatures are estimated to have risen by 1.1 degrees Celsius already compared to the pre-industrial baseline used for the Paris goals.

On people: While access to energy has increased significantly, one in seven people still lack access to modern electricity.

Mental health is a growing concern with over 10% of people in Europe living with mental health conditions.

And over two-thirds of FTSE 250 companies have no ethnic minority representation on their boards.

On the environment: 10 million hectares of forest were destroyed annually between 2015 and 2019.

And only last week, WWF's Living Planet Index reported 1 million species are threatened with extinction over the longer term.

At the same time there are reasons for hope. The collective intent to act is growing.

On climate: The EU and 19 countries have now set net zero targets; and 114 cities are committed to a 1.5 degrees aligned climate action plans.

On people - although more needs to be done - female representation in senior leadership roles is growing, helped by policy that encourages more reporting on gender balance; with diversity more broadly flagged as a priority area for many organisations.

And regarding the environment: we have seen a call to action on biodiversity and an increasing focus on the need for protected areas.

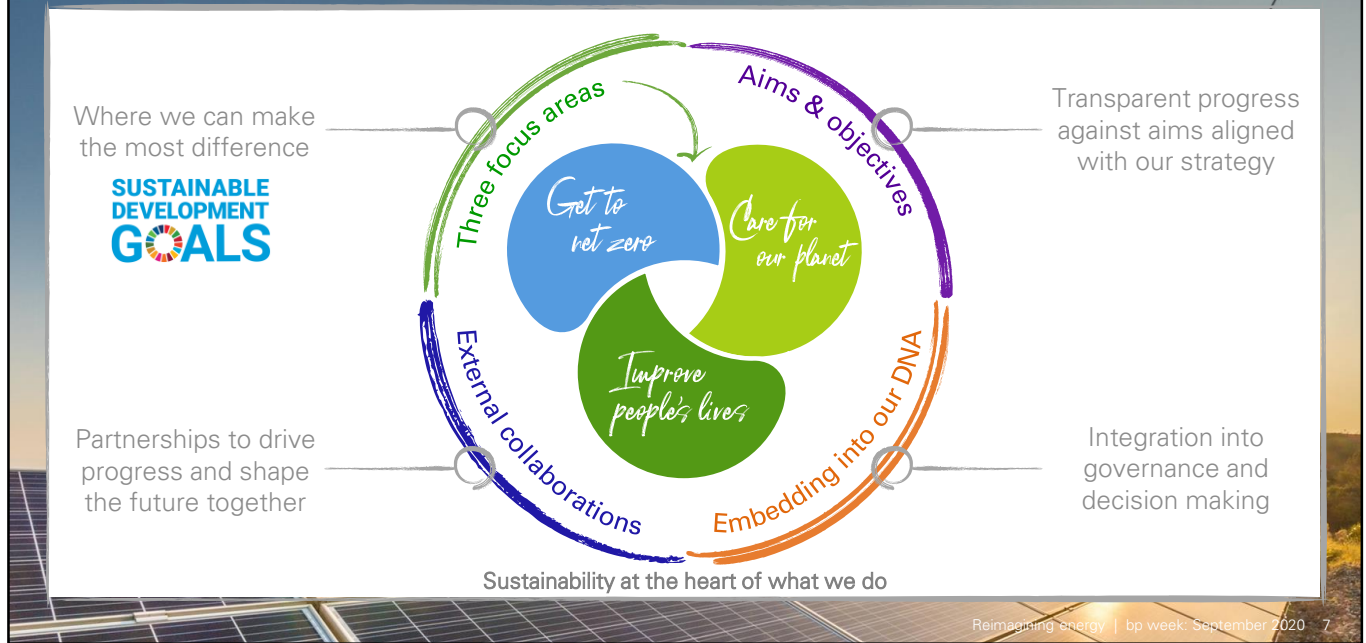
We believe that the private sector has an important role to play. And we want to play our part.

When done well, sustainability is both the right thing to do and good business.

We know we do not have all the answers, but we are listening to the calls from society, from governments, from shareholders for a greater focus on sustainability from businesses.

And here's what they are telling us.

Our new sustainability frame



Those powerful messages reinforce the need for action across multiple fronts.

The need to think about sustainability holistically, encompassing climate and environmental concerns as well as a broader set of issues that impact society.

The need for trust and transparency.

And the need to follow through on our commitments and aims with timely efforts.

So, we need an approach that:

- Informs our thinking and decision making;
- Responds to changes in the world; and
- Puts us in action where we can make the most difference.

For bp, that approach is founded on four building blocks, which together shape our new sustainability frame.

First, clear focus areas. We are shifting from driving multiple initiatives to focusing on “three” areas - net zero, people and planet. Each of those three focus areas includes prioritised themes linked to the UN Sustainable Development Goals.

Our wide-ranging approach to sustainability has brought benefits but often at a local scale. We believe we can do more by being focused and setting global priorities to drive our activities around the world.

Second, aims and objectives. As we have already done with our net zero ambition, we will set aims and objectives for the other two focus areas and we will be transparent about our progress against them.

These are not yet fully defined, but we will work with care to shape them and we intend to update you in our next sustainability report.

Third, sustainability embedded into our DNA. Actively driving it through our operating model, our governance and our culture.

And fourth, external collaborations. We are intensifying the search for partnerships that can help us drive progress, provide skills we may not have, and help us shape the future together.

In designing this approach, we have engaged with a wide range of stakeholders. I am extremely grateful to them. We want to continue to engage with and learn from key experts as we further detail our frame.

Let me now move to our three focus areas.

Three focus areas where we can make the most difference



Reimagining energy | bp week: September 2020 8

Our three focus areas are:

Get to net zero – become a net zero company by 2050 or sooner and help the world get to net zero.

Improve people's lives – support a just energy transition, promoting wellbeing for our workforce and communities where we work.

And care for our planet – make a positive difference to the environment where we operate.

We have chosen these three areas because together they put our purpose into practice: reimagining energy for people and our planet.

They are aligned with, and mutually reinforce, our strategy.

And – recognising that there is only so much that we can do - they concentrate our efforts and resources where we believe we can make the most difference.

I will now expand on each of the focus areas and highlight some of the ways we are already in action, as well as some of our future plans.

Get to net zero



Become a net zero company by 2050 or sooner, and helping the world get to net zero



Get bp to net zero



Help the world get to net zero

Starting with net zero.

In August we outlined our strategy and the pathways to delivering on our 2050 carbon aims.

From the feedback it was clear that there was interest in more specifics of how we intend to meet our 2025 targets and our 2030 aims.



Get bp to net zero



		2025 Targets	2030 Aims	2050, or sooner Aims	
Aim 1	<i>Net Zero operations</i>	20%	30-35%	100% ¹	Emissions reductions
Aim 2	<i>Net Zero oil and gas</i>	20%	35-40%	100% ²	
Aim 3	<i>Halving intensity</i>	5%	>15%	50%	
Aim 4	<i>Reducing methane</i>	0.20% Measurement approach in place by 2023	Timeline to achieve 50% reduction to follow		Low carbon spend ³
Aim 5	<i>More \$ for new energies</i>	\$3-4bn	~\$5bn	↑	

(1) Net zero, gross operated

(2) Net zero, bp net equity, excludes Rosneft

(3) Includes: low carbon electricity, bio-energy, electrification, future mobility solutions, CCUS, Hydrogen (incl. mobility) and trading (low carbon)

Reimagining energy | bp week: September 2020 10

Let me start by reminding you of these.

Aim 1 is to get to net zero for our operational emissions by 2050 or sooner.

We communicated a target of 20% reduction in our operational emissions by 2025 and aim for a 30-35% reduction by 2030.

Aim 1 covers what are often called Scope 1 and Scope 2 emissions. Scope 1 is emissions from running our own assets. Scope 2 is emissions associated with producing the electricity, heat and cooling that we buy to run our operations.

Aim 2 is to get to net zero on an absolute basis across the carbon in our oil and gas production by 2050 or sooner.

Here we target a 20% reduction by 2025 and aim for a 35-40% reduction by 2030.

This is our Scope 3 aim, because it covers the carbon dioxide which is emitted if someone burns the gas we produce, or a product made from the oil we produce.

Aim 3 is to halve the carbon intensity of the products we market by 2050 or sooner.

We also set ourselves a 2025 target to reduce our carbon intensity by 5%, and an aim to reduce it by at least 15% by 2030.

Aim 3 covers marketing sales of energy products – such as fuels, gas and power – as well as offsets supplied to customers. It covers the estimated lifecycle emissions associated with the production, processing and transportation of those products. And it also includes the CO2 emitted from the use of fuels and gas.

Aim 4 is to install methane measurement at our major oil and gas processing sites by 2023, publish the data, and then drive a 50% reduction in methane intensity in our

operations.

Methane intensity is the amount of methane emissions from our operated upstream oil and gas assets as a percentage of the total gas that goes to market from those operations.

We have been doing a lot of work on this since we announced the aim in February. As you can see from the slide, we have now also set ourselves a methane intensity target to two decimal places – of 0.20% by 2025, using a measurement approach.

Gordon Birrell, who leads production and operations, will be providing more details on Aims 1 and 4 in a moment.

Aim 5 is to increase the proportion of investment we make into our non-oil and gas businesses. As presented on August 4th, we aim to scale our investment in low carbon energy by up to eight-fold by 2025 and 10-fold by 2030 to around \$5 billion per year.



Levers to deliver Aims 1, 2 and 3

Key delivery levers
2020-2030



Portfolio transition

2025 Focusing hydrocarbon portfolio
2025 Designing low carbon into projects

2025 Focusing hydrocarbon portfolio
2025 Reduced exploration
CCUS
Hydrogen

2025 Low carbon electricity
2025 Bioenergy
CCUS
Hydrogen

Operational improvements

2025 Improving efficiency
2025 Reducing flaring and venting
2025 Low carbon electricity (Scope 2)
CCUS
Hydrogen

[Not applicable]

2025 Improving lifecycle emissions¹
Delivering Aim 1

Offsets

Compliance focused

Customer offers

Customer offers

2025 Plays a key role in delivering 2025 targets

(1) Reflects marketed energy products to end-users, e.g. gas, fuel sales and renewables.
Excludes: crude oil, non energy products and trading activity where not to an end-user

Reimagining energy | bp week: September 2020 11

To deliver on those targets and aims we will use a portfolio of available levers.

Over the next 10 years we expect the focusing of our hydrocarbons portfolio to be the most significant contributor to delivery of Aims 1 and 2, driven by the reduction in exploration and production volumes.

Operational improvements will support the delivery of Aim 1. They also help to reduce the lifecycle emissions for the marketed products we produce or refine.

We expect our rapidly growing low carbon energy and electricity and next generation mobility solutions to be a material contributor to Aim 3 in the next 10 years.

We do expect the absolute level of emissions associated with our marketed products to grow out to 2030, even as the carbon intensity covered by Aim 3 falls. However, over time and as we transition our product portfolio, we expect the absolute emissions to fall as well.

And, finally offsets. As we said in August, natural climate solutions have an important role to play in enabling the world to get to net zero, and we intend to support them.

Offsets will count towards our aims when our businesses use them to meet compliance needs, or provide their benefit to customers to help them meet their goals.

But as we also said in August, we do not intend to rely on offsets to meet our 2030 aims. Instead, we see these offsets helping us to go beyond those aims, if we can.

These levers are closely aligned with our strategy. You will hear more on many of these areas over the next two days from Gordon, Dev, Emma, Carol and David.

Before I hand over to Gordon, let me address two questions which we have been

asked.

The first is “does divesting oil and gas assets which keep producing really make any positive difference?”.

We believe it will.

We think of this in two ways – helping the world to decarbonise, and decarbonising bp.

First – the world. These divestments help to fund our investments into our transition activities. We’re aiming to increase our low carbon investment to around \$5 billion a year by 2030. We believe that this will help increase the world’s access to low carbon alternatives. And will support the energy transition that the world needs.

Because - as Bernard said in February, the whole energy system needs to be transformed. The global emissions that matter for meeting the Paris goals are driven by that system. That’s why low carbon advocacy is so central to our ambition and strategy.

Next – decarbonising bp. These divestments also help to decarbonise bp, moving towards our ambition to be net zero by 2050 or sooner. This reduces our exposure to carbon and allows us to diversify our portfolio creating a more resilient bp to serve our stakeholders.

The second question we have been asked is “how is your activity in Rosneft consistent with your aims?”

As we said in August, Rosneft is an important strategic partner. We seek to work with them, including through our positions on the board. We recognise and support their significant efforts and achievements in managing their emissions. They are targeting top quartile operational emissions performance which, in turn, supports their resilience.

Now, I have asked Gordon to join me to take you through our plans on Aims 1 and 4 in more detail.

[GORDON]

Thank you Giulia.

Starting with Aim 1.

We will continue to focus on emissions reductions in our assets as a core priority for our Production & Operations business.

We continue to make progress by operating our facilities more efficiently to reduce energy usage, lower flaring and reduce methane emissions.

As Giulia mentioned, on top of the 3.9 million tonnes of sustainable emissions reductions - or SERs as we call them - we delivered through to 2019, we are on track to deliver around 0.9 million tonnes of SERs in 2020 through operational improvements in areas such as energy efficiency and flare optimisation.

We have so far approved funding for over 30 projects from our operations from our \$100 million low carbon fund which will deliver future SERs. This includes recent approval of a project at our Lingen refinery, for example, developing an option for green hydrogen supply.

As Dev will explain, we will be increasing our focus on these integration solutions, using our low carbon growth areas to benefit Aim 1.

We are also exploring options for electrification of our existing facilities, such as ETAP in the North Sea, and making our new major projects lower carbon by design, such as our Cypre project in Trinidad and Tobago which is designed to emit approximately one-sixth of the emissions of previous installations.



Let me now turn to Aim 4 which focuses on methane.

Methane has a much higher global warming potential than carbon dioxide. So tackling methane emissions can play an important role in meeting the Paris goals.

The science on methane and climate is complex and we have benefited hugely from the expertise of Princeton University through our long-standing partnership in the Carbon Mitigation Initiative.

Current protocols for reporting methane emissions rely mostly on estimation and calculation rather than actual detection and measurement.

It is therefore understandable when NGOs like the Environmental Defense Fund - or EDF - raise questions about data quality.

We recognise the importance of such concerns. Aim 4 seeks to respond to these challenges by shifting from the current protocols towards greater use of measurement.

And we have been doing a lot of work on this since we set out our Aim in February.

First, we have systematically reviewed our methane inventory. And we have decided to apply Aim 4 to all operated upstream oil and gas sites which contribute towards our reported methane intensity.

Methane emissions from these Aim 4 sites contribute to around 98% of our reported methane emissions. It's worth pointing out that the other 2% - from operations such as refineries – are covered by Aim 1.

Second, we have developed a new 'measurement approach' to implement aim 4. We aim to have this in place at all relevant sites by 2023. We plan to publish this data

which will help us to baseline our aim to halve our methane intensity.

Our measurement approach includes deploying continuous detection and quantification technologies. And we will test these - we are learning which of them will work best for our assets.

Importantly, our measurement approach also includes using technologies such as drones and satellite-based measurement to help validate our estimated or calculated emissions data. So we plan to deploy the right elements of our measurement approach for each site.

More information regarding our measurement approach can be found on [bp.com](https://www.bp.com).

Aim 4 and our new measurement approach represent a significant step forward. They shift our focus from the estimation and calculation on which current protocols largely depend to a much greater focus on measurement.

Third, as Giulia mentioned, we are announcing today that we are targeting 0.20% methane intensity by 2025 as determined by our new measurement approach. This is an important supplement to our Aim 4, because the 0.2% methane intensity target, we have had until now – and the 0.14% we reported for 2019 – have both been based on current protocols.

We are already in action detecting, monitoring and improving our measurement of methane emissions, and working to reduce them. And we continue to collaborate with a range of stakeholders such as EDF and the Oil & Gas Climate Initiative and to work under the Methane Guiding Principles.

Our newly established non-operating joint venture centre of excellence will support our efforts to influence methane management in our non-operated activities.

We have also been an active participant in contributing to the Oil and Gas Methane Partnership, or OGMP, version 2, which is all about enhancing reporting and methane emission reductions. I am delighted to say that this month we have signed up to this.

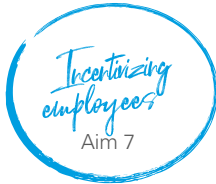
Finally, we are advocating for robust methane policies. We support the use of OGMP V2 to inform EU policies on performance standards for natural gas. And we have made clear our opposition to rollback of

federal methane regulation in the US.

So I hope you will agree we have made tremendous progress but we have so much more to do. Thank you – now back to you, Giulia.



Help the world get to net zero



What we're doing

- > Supported green recovery packages
- > Stopped corporate reputation advertising
- > Advocating for carbon pricing in the US
- > Linked cash bonuses to balance of safety, environment, reliability and performance
- > Published report on trade associations
- > Exited three associations following early review
- > Announced strategy with granular 2025 targets and 2030 aims
- > Working in partnership with Houston and Aberdeen

What we intend to do

- > Continue advocating for policies that support net zero, including carbon pricing
- > Increase emphasis on emissions reduction and strategy delivery for bp leadership team
- > Continue to promote our views on climate change and be transparent where we differ
- > Annual reporting to include TCFD¹ and other initiatives
- > Focus on partnering with 10-15 cities and 3 industrial sectors

(1) Task Force on Climate-related Financial Disclosures

[GIULIA]

Thanks Gordon.

Our first five aims are to help bp to get to net zero, our second five aims focus on helping the world get to net zero.

We see these as vital. Because ultimately what matters is the world achieving the Paris goals.

We are already in action and a lot has happened since February 12.

Under Aim 6 – more active advocacy for policies that support net zero.

We have been supportive of green recovery packages aiming to 'Build Back Better', including the European Green Deal.

We shut down our corporate reputation advertising – as we said we would.

And we intend to continue actively advocating for policies that support net zero.

Under Aim 7 – incentivising our employees

We have already designed our annual cash bonus for our employees in a way that gives a balanced score based on safety, environment, reliability and financial measures.

And we intend to increase our emphasis on strategy delivery including low carbon emissions reductions for our bp leadership team going forward.

Kerry will talk more about aligning employees' performance and reward in the next session.

Under Aim 8 – set new expectations for relationships with trade associations

We published a review of our most relevant associations earlier this year, and as a result of misalignment over climate change decided to leave three associations.

We continue to engage with trade bodies on climate issues and actively monitor our memberships.

And we will continue to make our case on climate policies within associations and be transparent where we differ.

Under Aim 9 – to be recognised as a leader for transparency of reporting.

We have set out our strategy with clear and granular 2025 targets and 2030 aims, providing transparency on our intended trajectory over the next ten years.

We have work ongoing to enhance our reporting in line with the Task Force on Climate-related Financial Disclosures recommendations, which we support.

This includes our intention to build in detail in our next annual report on our use of our Energy Outlook scenarios to inform our strategy, including the short- and medium-term targets and aims.

And finally, under Aim 10 – ‘Clean Cities and Corporates’

Our new Regions, Cities & Solutions team has moved incredibly quickly since being stood up. They have already announced we are working in partnership with the cities of Houston and Aberdeen.

You’ll hear more on this from William tomorrow.

There is plenty more to come under each of those aims and we will continue to provide updates as we progress.

Improve people's lives



Support a just energy transition, promoting wellbeing for our workforce and communities where we work



Provide more clean energy for more people



Respect human rights, promote equality and sustainable livelihoods



Promote wellbeing, with a focus on mental and physical health

Reimagining energy | bp week: September 2020 14

Let me now turn to our focus on improving people's lives where we work and supporting a just energy transition.

We have three priorities:

First, provide more clean energy for more people. Because access to energy is essential for economic growth, reducing poverty and improving communities' health and wellbeing. Yet one in seven people still lack access to modern electricity.

Second, respect human rights, promote equality and sustainable livelihoods; because we believe that everyone deserves to be treated with fairness, respect and dignity. Yet that is not a reality for many people around the world.

Third, promote wellbeing, with a focus on mental and physical health. Because care for physical and mental wellbeing has always been a priority for bp; But the COVID-19 crisis has posed a new and serious challenge.

So how are we planning to put these into action?

Starting with providing more clean energy for more people.

This is core to our new strategy. Dev and others will take you through more details over the next few days but as a reminder – we plan to rapidly increase our low carbon energy portfolio.

That includes aiming to have developed 50 gigawatts of renewables by 2030. When operational, we estimate it would be enough to power the equivalent of 31 million UK homes.

And our sustainability frame is also about how our businesses do what they do - their approach to environmental and wider social issues. It's about living our purpose, so

that people can know that our great businesses in areas like energy and mobility - such as bp Chargemaster or Castrol - stand for positive change.

Moving onto respecting human rights and promoting equality and sustainable livelihoods.

On equality, we have just launched a new diversity framework in the US and the UK. Kerry will describe in the next session what we are doing to make bp a more inclusive workplace, where everyone can thrive;

We will aim to promote sustainable livelihoods through a range of initiatives. And we will focus on driving our updated human rights policy into action – which I'll come back to in a few moments.

On wellbeing, with a focus on mental and physical health; we are working to tackle the stigma around mental health issues within bp. Particularly as we learn more about the impact of COVID-19.

We are proud to support mental health charity MIND in the UK as they provide help to people in this difficult time.

We're looking at other potential collaborations including the British Association of Management to increase the focus on mental health and wellbeing in the training of future leaders.

Kerry will talk further about some of the transformational plans we have for how we approach these vital issues within our organisation and beyond.



Coming back to human rights, I want to highlight our updated human rights policy that we launched this summer.

It clarifies our commitment and strengthens our approach across several areas, including the rights of workers and vulnerable individuals and groups, including indigenous peoples; and rights to water and sanitation, land rights, and freedom of expression.

Importantly, the new policy still has global scope and reach. It applies to all our employees and includes respect for the human rights of the communities where we work around the world.

It also sets clear expectations for our engagement with our suppliers and other business partners – including our contractors – in line with the principles of our policy. And these expectations are supported by prioritised human rights due diligence assessments that inform purchasing decisions.

And we are determined to get more systematic in our activities.

We’ve developed Labour Rights and Modern Slavery principles for our operations, that we will use with our business partners and supply chains.

We’ve also co-founded with peers a Joint Industry Platform to drive a more consistent, effective and efficient industry approach to supplier human rights due diligence, with a focus on labour rights and modern slavery.

And we plan to undertake independent third-party assessments for selected sites and business activities on a risk-prioritised basis, to review our progress and course correct as needed.

Care for our planet



Make a positive difference to the environment in which we operate



Promote cleaner environments, enhance biodiversity and promote natural climate solutions



Use resources responsibly



Promote sustainability in our supply chains and with our business partners

The third dimension of our framework is the environment - caring for our planet.

We have three priorities.

First, promote cleaner environments, enhance biodiversity and promote natural climate solutions.

Because the continued decline in biodiversity and the degradation of our environment poses a serious risk to the natural resources upon which we all depend.

And it is reducing the ability of ecosystems to take carbon out of the atmosphere - making it harder to tackle climate change.

Next, use resources responsibly.

As we saw earlier, material consumption has been growing with 86 billion tonnes consumed globally in 2017. Given this, we consider reducing consumption and embracing circularity to be an important lever in sustainability.

We are looking at ways to adopt circularity principles across bp - reducing waste and keeping materials in use for longer.

Finally, promote sustainability in our supply chain and promote sustainability with our business partners.

Given the scale of our global supply chain - we're on track to spend \$28 billion on third party goods and services this year across tens of thousands of suppliers - we see it as an important lever for driving performance, including reducing carbon emissions.

We believe this can create shared value along the supply chain, by increasing

efficiency, reducing resource costs, and making supply chains more resilient.

So how are we planning to put these into action?

I will dive into how we're in action on promoting cleaner environments, enhancing biodiversity and promoting natural climate solutions in a moment.

For responsible usage of resources – we are starting to identify circular opportunities across bp. For example:

In Europe, we aim by 2025 for bp-owned food brands - including our Wild Bean coffee cups - to use packaging that is either reusable, recyclable or bio-degradable.

In promoting sustainability into our supply chain and with our business partners, we will need to prioritise our efforts, focusing mainly on the most significant contractors and suppliers and on the areas of most significance to each of them. Areas such as;

- Carbon emissions and usage of renewable energy;
- Circularity provisions including waste reduction or elimination; and
- Natural resource management, including water consumption and sustainable sourcing of materials.



Enhancing biodiversity



Our new position is taking action to help

restore, maintain and *enhance* nature

- No oil and gas exploration in the most sensitive protected areas
- Net positive impact from new projects
- Enhance biodiversity around existing major operating sites
- Local biodiversity conservation and sustainable use of natural resources

Working with **UNESCO** and leading conservation organisations including a new collaborative partnership with **Fauna & Flora International**

Reimagining energy | bp week: September 2020 17

Specifically, I want to highlight our new strengthened position on biodiversity that we released in June.

For 14 years now, we have not entered into any of the most sensitive protected areas for oil and gas exploration and production. With our new position, we have now formalised this into a commitment.

This covers UNESCO World Heritage sites, and also Strict Nature Reserves and Wilderness Areas as defined by the International Union for Conservation of Nature – the IUCN.

Our position also states the following aims:

First, to achieve a net positive impact on biodiversity in our new projects. This starts with looking ahead to identify direct impacts on biodiversity. We then deliver a plan, not just to mitigate potentially significant impacts, but to enhance biodiversity.

Second, to enhance biodiversity around our existing major operating sites;

And finally, to support biodiversity restoration and the sustainable use of natural resources.

I want to thank Fauna and Flora International, Conservation International, UNESCO, the IUCN and other nature organisations, experts and investors for their valuable input and challenge through the development of our new position.

Implementing this position will take a lot of work, including on our methodology for measuring “net positive impact”.

But I am pleased to announce that we have now established a new collaborative partnership with Fauna & Flora International to help us deliver our new position. We will

also be jointly exploring new opportunities where bp can support nature conservation.



Natural climate solutions



Key tool for the world to deliver net zero

Critical role in many Paris scenarios

Up to 500m hectares need to be converted to forest by 2100⁽¹⁾

Sustainability value – providing benefits to nature and people

We have track record and capability

>50Mte of US forestry offsets across 21 states

Origination presence in >10 countries

Building integrated partnerships

Support this market to grow

Scaling our positions

Promoting high standards

Leveraging our advocacy

(1) In line with IPCC scenarios

Reimagining energy | bp week: September 2020 | 18

I also want to say a little more about Natural Climate Solutions, or NCS. At its simplest, NCS is about protecting, restoring and in some cases creating natural sinks. These natural sinks, which include peatlands and forests, both lock in carbon, keeping it out of the atmosphere, and absorb CO₂ from the atmosphere.

We believe that NCS will be needed for the world to deliver net zero.

They play a critical role in many Paris scenarios. Specifically, up to 500 million hectares need to be converted to forest by 2100 in line with IPCC scenarios. And when done in the right way, NCS can bring a range of sustainability 'co-benefits' such as enhancing biodiversity and sustainable livelihoods for local communities.

We believe that bp is well placed to help enable NCS to play this role. We have track record and the capability.

We have supported over 50 million tonnes of forestry offsets in the US;

We are active in NCS in more than 10 countries around the world;

And we are building integrated partnerships such as in our Finite Carbon venture which David will discuss later.

And we will support this market to grow.

We have established a world class NCS group within Trading & Shipping and will be scaling positions.

We will promote high standards as we build new business models to meet growing demand for NCS from our customers. And we are advocating for policy to help build the markets for offsets that will be required to underpin their role.

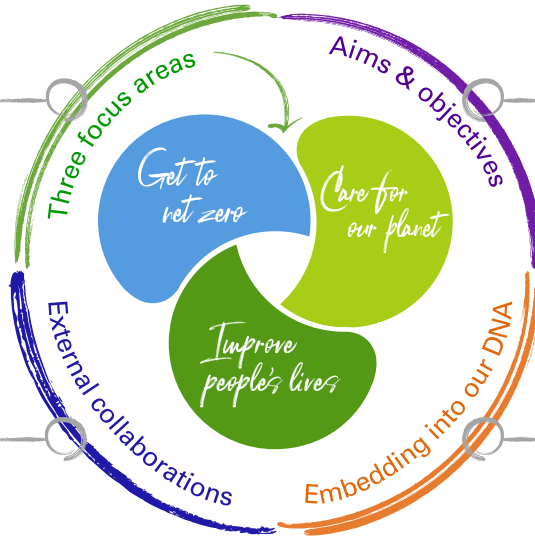
This includes engaging with our global partners such as the World Economic Forum, World Business Council for Sustainable Development and others in helping to find technical and policy solutions.



Where we can make the most difference



Partnerships to drive progress and shape the future together



Transparent progress against aims aligned with our strategy

Integration into governance and decision making

Reimagining energy | bp week: September 2020 19

Let me close by returning to our frame. It focuses on three areas and puts sustainability at the heart of what we do.

We will set aims and objectives for our focus areas on people and planet, as we have done with net zero. We see these as a key vehicle for performance management, and a clear basis for transparency and for delivery.

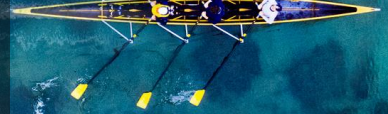
On governance, we aim to embed sustainability into our DNA as we reinvent the company. This means integrating sustainability in the way we work, and into our decision-making on strategy, capital allocation, business development and execution.

And finally, we are looking for partnerships to help drive progress and help us shape the future together. We will also work with our customers, suppliers, partners and other stakeholders to drive innovation and broaden our impact.

Key messages



- We are **not starting from scratch** on sustainability
- Now is the **time to enhance** our approach
- Our **new sustainability frame** will drive a strategic approach to **three focus areas**
- Puts **sustainability at the heart** of what we do
- We are **in action** and want to **work on it together**



Reimagining energy | bp week: September 2020 20

We see this as a living frame – one that will evolve over time as we learn and respond to changes in our business and the world.

So let me leave you with our key messages.

As I have outlined - we have a track record on sustainability, but now is the time to enhance our approach.

Our new sustainability frame, with three focus areas, puts sustainability at the heart of what we do.

We want to keep engaging and listening as we detail our frame and our aims and objectives.

As well as continuing to share our progress on sustainability as we move forward.

I look forward to providing another update on our sustainability frame at the end of Q1 2021 when we plan to publish our annual sustainability report.

And in the meantime, I look forward to talking with many of you watching today, and to continue listening and learning.

Now, I'll hand over to Kerry Dryburgh, who leads people and culture, to talk about how we're reinventing bp.

Thank you.