Reimagining energy

Giulia Chierchia
EVP, strategy and sustainability
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.
Sustainability is a critical foundation of our strategy

- Low carbon electricity and energy
- Convenience and mobility
- Resilient and focused hydrocarbons

Integrating energy systems
Partnering with countries, cities and industries
Driving digital and innovation

A sustainability frame linking our purpose and Net Zero ambition
Sustainability is a critical foundation of our strategy

A sustainability frame linking our purpose and Net Zero ambition.
Our track record on sustainability

Reduction of emissions

Making a difference in society

Environmental management

Protecting natural habitats
The world is on an **unsustainable path**…

- Global annual material consumption grows from 73 to 86bn tonnes (2010-2017)
- 2.6Gte expected fall in 2020 emissions due to COVID-19 needs to be repeated for next 25 years to achieve net zero in 2050
- 1 in 7 people still lack access to modern electricity
- >10% in Europe living with mental health conditions
- 69% of FTSE 250 companies have no ethnic minority representation on their boards
- 10m hectares of forests destroyed annually (2015-2019)
- 1m species threatened with extinction
- 114 cities committed to 1.5°C aligned climate action plans
- 25% of new EU budget contributing to climate action
- Female representation in senior leadership roles growing faster than ever before
- Net zero targets set by EU and 19 countries
- 24m jobs created (net) by delivery of Paris goals and sustainable practice
- 76% of organisations flag diversity as a priority area for action
- 46% increase in global marine biodiversity protected areas in 2019
- 69% of FTSE 250 companies have no ethnic minority representation on their boards
- ESG investor groups mobilising and driving collective action

… but there is **collective intent** to act

- 62% of FTSE 250 companies have no ethnic minority representation on their boards
- 46% increase in global marine biodiversity protected areas in 2019
- ESG investor groups mobilising and driving collective action

Reimagining energy: bp week September 2020
Our new sustainability frame

Sustainability at the heart of what we do

Transparent progress against aims aligned with our strategy

Where we can make the most difference

Partnerships to drive progress and shape the future together

Integration into governance and decision making

Three focus areas

Aims & objectives

Sustainability at the heart of what we do

External collaborations

Embedding into our DNA

Get to net zero

Care for our planet

Improve people’s lives

Reimagining energy | bp week: September 2020
Three focus areas where we can make the most difference

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

Care for our planet
Make a positive difference to the environment where we operate

Our purpose and our values

Improve people’s lives
Support a just energy transition, promoting wellbeing for our workforce and communities where we work

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

Get to net zero

Care for our planet

Our purpose and our values

Improve people's lives
Get bp to net zero

<table>
<thead>
<tr>
<th>Aim</th>
<th>Description</th>
<th>2025 Targets</th>
<th>2030 Aims</th>
<th>2050, or sooner Aims</th>
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<tr>
<td>1</td>
<td>Net Zero operations</td>
<td>20%</td>
<td>30-35%</td>
<td>100%&lt;sup&gt;1&lt;/sup&gt;</td>
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<td>2</td>
<td>Net Zero oil and gas</td>
<td>20%</td>
<td>35-40%</td>
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<td>3</td>
<td>Halving intensity</td>
<td>5%</td>
<td>&gt;15%</td>
<td>50%</td>
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<td>4</td>
<td>Reducing Methane</td>
<td>0.20%</td>
<td>Timeline to achieve 50% reduction to follow</td>
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<tr>
<td>5</td>
<td>More &amp; for new energies</td>
<td>$3-4bn</td>
<td>~$5bn</td>
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</tbody>
</table>

(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)

Emissions reductions
Low carbon spend

Timeline to achieve 50% reduction to follow
Measurement approach in place by 2023

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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

Operational improvements

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

Offsets

Compliance focused

Customer offers

Customer offers

(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.

2025 Plays a key role in delivering 2025 targets
Delivery of Aim 4

2018 - 2020

2018
0.2% methane intensity target

2019
Methane technology pilots & showcase

2019
Achieved 0.14% methane intensity

Feb 2020
Launch Aim 4

Jun 2020
Non-operated joint venture workshop

2H 2020
Sign OGMP V2

2020
Deploy methane measurement

2023
Publish baseline data

2024
Gold standard OGMP V2

2025
0.20% methane intensity

2030
Zero routine flaring

50% reduction in methane intensity from measured baseline

2018 - 2030

Reducing Methane

(1) Based on current reporting protocols
(2) Oil & Gas Methane Partnership Version 2 - enhanced methane reporting
(3) Upstream oil and gas operating sites
(4) For bp operated sites
(5) Using measurement approach
Help the world get to net zero

What we’ve done

- 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 TCFD\(^1\) and other initiatives
- Focus on partnering with 10-15 cities and 3 industrial sectors

\(^1\) Task Force on Climate-related Financial Disclosures
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

Our purpose and our values
Respecting human rights

Clear commitments
- Worker rights
- Vulnerable groups and individuals
- Freedom of expression
- Water & sanitation
- Land rights
- Grievance mechanisms

Global scope and reach
- All employees
- Communities where we operate
- Clear expectations for engaging suppliers and business partners
- Due diligence assessments

Systematic application
- Labour Rights and Modern Slavery Principles
- Working with industry
- Independent assessments
Care for our planet

Get to net zero

Promote cleaner environments, enhance biodiversity and promote natural climate solutions

Use resources responsibly

Promote sustainability in our supply chains and with our business partners

Make a positive difference to the environment in which we operate

Our purpose and our values

Improve people’s lives
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
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!
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
Sustainability at the heart of what we do

Where we can make the most difference

Partnerships to drive progress and shape the future together

Three focus areas

Get to net zero

Aims & objectives

Care for our planet

Improve people's lives

External collaborations

Embedding into our DNA

Integration into governance and decision making

Transparent progress against aims aligned with our strategy
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**