



## Reinventing bp

Kerry Dryburgh  
EVP, people and culture

The conversations we had with these young adults give us a snapshot of what the next generation wants from work.

Hi everyone, I'm Kerry. It also reminds me of a conversation I had recently with my 20-year-old daughter, India.

India is in university, in Edinburgh.

She has been applying for part-time casual work to help get her through her studies and as she was considering opportunities, it became clear to me that she was looking for more than just some money to help her through.

India was judging these opportunities, not on what they paid, but on whether the organization would make her feel good about coming to work and have a culture that she could identify with.

India and the people in that video are representative of an entire generation.

And also to many people already in work.

They want to work for an organisation that makes a difference. A place that supports, encourages and empowers them. Where they can work alongside inspiring colleague in innovative and exciting work environments.

I know that many of our colleagues in bp today are asking for very similar things.

So the question for bp – in a world where people have more choice than ever – is can we give them what they want?

You might be unsurprised to hear that, undoubtedly, I believe the answer is yes.

I believe we're already offering many of the things they look for.

And I am determined to ensure we continue to do more for our people – both for those already in bp, and those that will join us over the years ahead.

But let's be honest. Right now we have a problem with our image. Many people don't think of bp as an exciting, welcoming or inspiring place to work.

You even heard one person say that they're not sure the energy industry is the right place for them.

So let's not kid ourselves – we've got a bit of a challenge.

To deliver on our strategy, we have to ensure we are doing everything we can to attract and retain the best people.

# 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 strategy to attract and retain talented people, including statements regarding its aims to be agile, integrated, diverse and inclusive, increase gender and racial diversity, further develop a new framework for transparency and accountability, expand training opportunities, reduce its workforce, transform the working environment, prioritise employee wellbeing, refresh the profile of its leadership, evolve employee planning, feedback and remuneration and implement a new organizational structure by January 1, 2021.

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

We know what we need to do...



Evolve our  
capabilities

Unlock  
human energy

Purpose  
How we work  
Leadership

Deliver on our  
purpose and  
ambition



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As the person responsible for people and culture, I want to talk about how our people are key to delivering our strategy and reinventing bp – and what we're doing to help them perform at their best.

To ensure we have the right people and capabilities, we must change.

We will build on the strong foundations and deep expertise we already have, as well as accessing what we need for the future.

And we will unlock the human energy that exists within bp, through:

Our purpose - as you just heard from Giulia - guiding us forward.

Changing how we work to enable our people be their best.

And our leadership driving change.

Ultimately, our success will be judged by our performance: Have we delivered on our purpose and ambition?

But let me start by talking about where we are today.



In my ten years working for bp, I've met and had the privilege to develop some amazing talent.

We have deep, technical expertise – with more than 16,000 engineers and operators, just under 9,000 biofuels experts, and that's just scratching the surface.

We have skills that allow us to achieve extraordinary things:

Extracting oil and gas from seemingly impenetrable rocks in the US; or, delivering lubricants that can work under the most extreme conditions – including the outer reaches of space!;

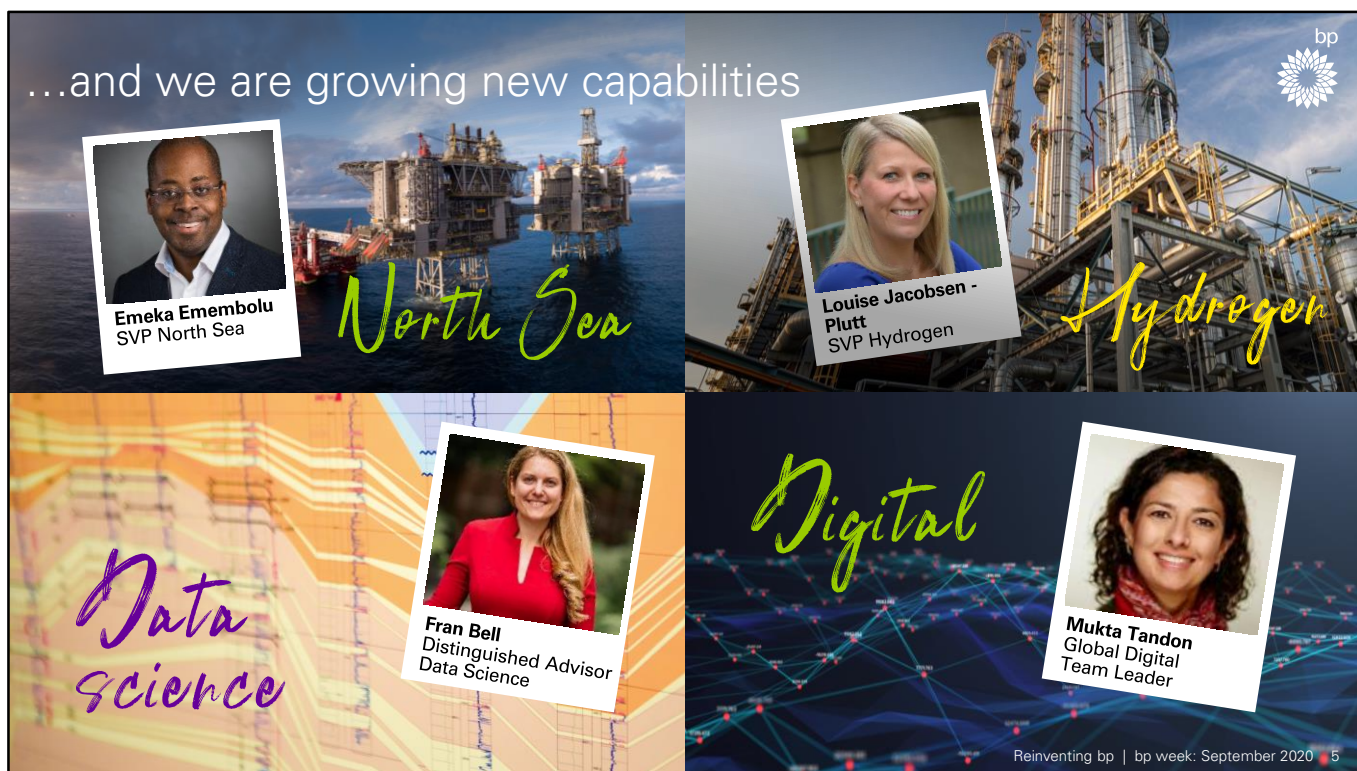
And our experience in delivering large, complex projects means we can supply energy to people who need it most; whether that's the vast modernisation of our Whiting refinery; or delivering technically challenging projects like Shah Deniz 2.

Our long experience and strong global relationships mean we are able to navigate ever-shifting energy markets.

From working with Reliance in India to create the Jio-bp retail network, to developing transport solutions with DiDi in China.

And our increasingly diverse teams mean we're able to draw on a range of talents – better reflecting the societies we serve.





Our amazing people will be as valuable tomorrow as they are today.

So the likes of Emeka Emembolu, who is leading our business in the North Sea. He has more than 20 years' experience in oil and gas and will be continuing to do what he does best for many years to come.

We are also able to take skills from our existing businesses and use them in a reinvented bp – skills like Project Management, Finance, or Trading.

Other people have skills in one field that are directly applicable to another.

Take Louise Jacobsen Plutt. Louise has a deep experience in wells. But now she's applying what she's learnt to head up our hydrogen business – something of great importance to us.

Of course, while we have many skills within bp, we don't have everything we need to deliver on our strategy. Where that's the case, we are already finding ways to get them.

This involves reskilling our own people – and unleashing their potential in a new direction.

People like Mukta Tandon who has a strong background in marketing and communications, and now leads Castrol's global digital team.

Or hiring fresh and different talent from beyond our industry.

That's why we hired Fran Bell – who was working at the Toyota Research Institute and before that, Uber.

Fran will bring her exceptional skills to our data science team.

Our ability to nurture the rich talent that already exists within bp – as well as bringing in new capabilities - is central to reinventing bp.

But we know that building capability is something that any of our competitors can do.

What I believe will make us distinctive is actually – what guides us, how it feels to work here, and how we lead.

Let me explain what I mean.

Our purpose  
guides us forward

Reimagining  
energy  
for people  
and our planet



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First of all: purpose.

For more than a century, people at bp have been coming to work to help solve some of the world's greatest energy challenges.

But our new purpose is inspiring our work like never before. It resonates with people – both those inside the company – and the communities we serve.

For those of us in bp, our purpose is what makes what we do, more than just a job. It brings meaning and makes us proud to work here.

Our new purpose is making people outside bp want to work with us in a way that they didn't before. It will guide us in all that we do.

For example, in 2019 we committed over \$80 million to social investment, of which more than \$25 million specifically targets education and employment.

I look forward to sharing more soon, on how we're going to re-focus this work to our new ambition

For now, we're expanding our sponsorship with the global educational NGO, AFS Intercultural Programs.

And through a new partnership with the Prince's Trust, we're aiming to expand the reach of our apprentice and internship programmes.

What's also exciting about being in bp at the moment, is you can really see our people living our purpose.

COVID-19 provides a great illustration where our teams sprang into action.



We offered free fuel to emergency services in nine countries and PPE equipment in the US, UK and Australia.

We donated high-performance computing power to support healthcare researchers.

And then there are dozens of individual stories.

People like Ricky Burns, a team lead in Houston, who used a 3D printer to make personal protective equipment.

Amazing examples like that are helping change impressions of bp as well as enabling us to bring in the best talent.

At the 2Q results and launch of our strategy, Bernard talked about Jo Alexander returning to bp, but I also have an example from my own team.

Sarah Odell used to work with me. But she felt bp wasn't the place for her to make a longer-term career and she decided to leave spending time in finance and then healthcare.

Fortunately, I stayed in touch with Sarah. And then we announced our new purpose. And she thought maybe bp was a place she could lead a fulfilling career after all.

Well, I'm delighted to say that Sarah is re-joining bp – to help us transform how we work.

That's the power of purpose. It can win over critics, attract the best people and provide great inspiration.



So we're building the right capabilities. We have a purpose to guide us. Now we need to shift how it feels to work here.

To do this we believe we need to be three things.

The first is integrated: This plays into many areas but, in summary, we are integrating across and along the energy value chain.

Structurally, bp has moved away from the siloed upstream-downstream model, to create an integrated and focussed bp.

Later this week you will hear from William, and Carol, who – in addition to Giulia - lead entities that will help us do just that.

And all this will happen within a leaner and more focussed organization – which, as you'll know, will see us reducing our workforce by around 10,000, the majority of which will leave bp this year.

We are extremely sad to see our friends and colleagues leave and have spent a lot of time on how we can do more than we normally do to support them, including creating a new, transition offer – myFuture.

We are on track to stand up the new structure on 1 January next year. With almost all the design work complete, we have appointed 730 leaders to new roles.

The second, is being more agile:

This means deploying cross-disciplinary teams and empowering them to solve problems and seek opportunities.

In the last two-and-a-half years, we've successfully run almost 800 agile projects across

five continents. Now we'll look to roll that out much more widely – in fact, people and culture will itself operate in a fully agile way.

Third, being increasingly diverse and inclusive:

We will continue to operate as one global workforce with everyone playing a role. But we need to progress the D&I agenda further:

When it comes to gender equality, nearly 40% of the 730 newly appointed leaders are women; our goal is to continue to increase this proportion and exceed at lower levels.

And in racial diversity, we want to do more.

In the wake of recent racial injustices and subsequent social unrest, we've created a new framework for action in the US and UK, with more to come globally. It focuses on transparency, accountability and increasing African American and minority representation.

We are doing this not just because it is the right thing to do – or because it makes good business sense. But because we believe companies like ours should help drive forward social progress.

And we will continue to take further steps along this road, under the leadership of Mark Crawford, recently appointed as our new SVP of diversity and inclusion.

Being integrated, agile and inclusive will shape our people's experience of working at bp.

An experience also enabled by two very important activities:

The first is transforming our working environments – not just places where people feel they can speak up, but also places where people know they can be themselves and feel supported;

The second is prioritising our people's wellbeing.

This is something I know Bernard is really passionate about – and is aligned with our new sustainability frame.

We're offering our people access to a range of facilities and services: such as the Headspace meditation app or support through the Employee Assistance Programme.

But we will go further. Our donation to the mental health charity MIND

is a testament to that.

Wellbeing is becoming part of the bp language – just in the way process safety is. It is a critical part of caring for our people and the communities in which we operate.

The point of all this is to say that we really care for our people and want them to be at their best.



Let me move on to the third element: leadership.

There are two parts to this:

First, being clear on what we now expect from our leaders.

And second, refreshing the profile of our leadership team.

Let me start with the qualities we looked for:

We searched for leaders who have a track record of delivery;

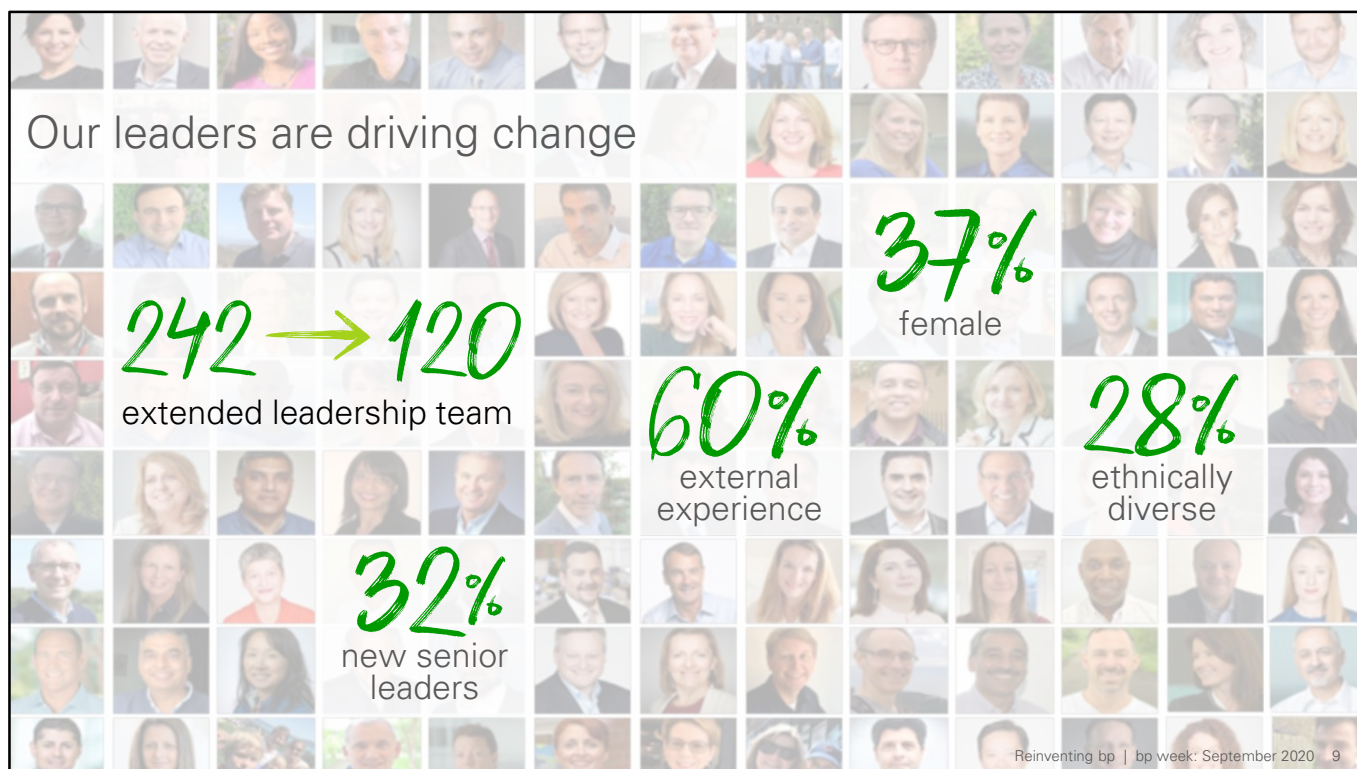
Who are curious and open minded;

Who are purpose driven – not ego driven;

Who lead through our values – especially safety; and

Most importantly, leaders who are empathetic, but who are also prepared to hold others to account.





Now, let me tell you about the group of leaders we selected.

First, we have we have removed an entire layer of management at the top of the company, halving the number of senior leaders from over 240 to under 120, connecting our leaders more closely with their teams.

This 120 strong, new extended leadership team, or ELT, are brilliant role models of the qualities I mentioned – they also bring together a broad and diverse set of expertise, views and perspectives.

37% are women.

28% ethnically diverse.

Around a third are new, senior leaders - promising individuals who might otherwise have waited longer before joining the ELT.

Individuals like Nicola Buck – who has held several brand and marketing roles but whose leadership qualities are clear for all to see.

And 60% have experience working in companies outside of bp, including three new external hires.

People like Ben Gaunt, who joins us from Accenture and brings cross-industry experience, as our new head of talent.

We are extremely proud of our leadership group. But as Bernard made clear to them on the first day of their onboarding process, we expect a lot and we will hold them to account.

# Delivering on our purpose and ambition



*For all employees*

1

## **2020 Annual cash bonus**

Balanced scorecard based on safety, environment, reliability, and financial measures

*For senior leaders*

2

## **Increase emphasis on low carbon**

From 5% to 30% for senior leaders' equity awards

*For the bpLT*

3

## **Link performance related pay to purpose**

25% of performance-based pay linked to delivery of our purpose

*Transforming individual performance management*

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In all of this, the real test of whether we have succeeded or not – is our performance. Have we delivered on our purpose and ambition?

Leadership will play a role here, of course. But we're also changing how we enable individuals to deliver performance.

We're evolving to a model of continuous planning and open, transparent and real-time feedback. So everyone will know what is expected of them and how they are performing.

We are also better aligning remuneration to performance. There are three things that we have done:

Firstly, the metrics for the 2020 annual cash bonus for the wider workforce are tied to a balanced scorecard consisting of safety, environment - including Sustainable Emissions reductions - reliability and financial measures.

Secondly, our 274 most senior leaders will see at least 30% of their equity award linked to low carbon measures, in support of our strategy. That's up from 5% in the 2018 to 2020 plan.

Finally, bp's leadership team will see 25% of their total performance-related pay now linked to emissions reduction and delivery of the low-carbon strategy.

I hope this demonstrates our intent to incentivize performance while we transform.

*It's a  
human story...*



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I realise there's a lot to take in here. But I hope that gives you a sense of what we're doing. It's a combination of capabilities, purpose, how we work, leadership and performance. Getting that recipe right is the key to success. And I believe it is also what will make bp unique.

We have a lot of work to do. But I am optimistic about our future - delivering on the hopes and expectations set out in that video you saw at the start.

Feelings that are shared by many of my colleagues at bp. In fact, it is because of our people that I remain so optimistic. Because they care. For each other, for society and for their communities.

And it is because our people care, that I am so confident bp will contribute to a just transition – both for our teams and for the communities where we operate.

This isn't some abstract idea. It's real. It's human.

I could point to many examples. But the most poignant for me was when I made my first visit to Tangguh – our gas business in Indonesia. It seems like a world away from London – a 36-hour journey involving four planes and a boat.

Since day one, bp has invested in the local community, providing education, healthcare and jobs. Developing really close ties with the people there. And on my trip, I had the privilege to meet some of the over 100 apprentices we are developing, about half of which are women.

Hearing their stories, learning about their journeys, understanding how their bp relationship was transformative for them and their families - was genuinely life-changing for me.

It was living proof of how bp can have such a positive influence on the world and the communities we operate in.

After all, bp itself is a community. A community made of great people who want to make a difference and care in a way that some other companies may not.

So, if we think back to where we started. India, my daughter, found a job teaching maths to school kids. But, more importantly, working for an engaging leader, in an inclusive environment that makes her feel valued.

And those young people we saw in the video - talking about what matters to them; about making a difference to the world - I firmly believe that bp is the place for them.

They are bp people. They just don't know it yet.

We'll now take a short break and then I'll be joining Bernard, Giulia and Murray to take questions from you on what you've heard today.

Thank you.