



2020 Annual General Meeting: chief executive officer

Bernard Looney
Chief executive officer

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Introduction

Thank you, Helge and thank you everyone online for joining us.

Thank you also to Ian - and to our company secretary, Ben Mathews.

Despite the challenges, we are meeting today thanks to outstanding contingency planning by you and your teams.

I am enormously grateful for everything that you are doing and the efforts you have gone to.

Today's event is an important one for two reasons.

First, this is my first meeting as your chief executive - and you'll understand that I am fully focussed on delivering on Helge's and the board's expectations.

Second, this meeting is an important opportunity for us to listen and learn.

I am under no illusion - we are accountable to you, our shareholders -we never forget who owns the company.

Last year you asked us for more disclosure - by means of the special resolution proposed by Climate Action 100+.

We listened and we learned.

The Board supported the resolution and we acted on your advice.

I personally continue to value and benefit from our ongoing engagement with Climate Action 100+ and the investors it represents.

We welcome and appreciate the statement of support they made earlier this week - both for our net zero ambition and our response to the COVID pandemic.

I look forward to continuing the helpful dialogue we have established with them - and also to continuing discussions with Follow This, as outlined in our joint press release earlier this year.

Also last year - when we met in Aberdeen - we heard from a shareholder called Jo Alexander.

Jo used to work for bp - for 10 years - but left 5 years ago.

She said she felt - at the time - that bp's corporate purpose was not consistent with her inner purpose.

We met with Jo later in the year and we talked about the plans we were developing for bp.

For the new purpose and ambition that Helge just mentioned.

I am delighted that Jo decided to re-join the company to help us deliver those plans.

Jo is re-joining a company full of good people trying to do good things.

That has never been clearer than today - in their response to the COVID-19 pandemic.

I remain in awe of how our colleagues have stepped up to care for each other -to help their communities - and to strengthen bp's resilience.

As you saw in the film - and in this slide - the bp team is truly living our new purpose, to reimagine energy for people and our planet.

It is a huge privilege to support them in this role.

It is a responsibility I never imagined when I joined bp 28 years ago.

I love the company - your company.

And I will do everything I can to keep it safe and successful.

We are taking calm, decisive action.

We have a clear direction of travel for the future.

And we are committed to delivering for you at all times.

Let me talk briefly about each of those 3 things.

Calm, decisive action

But before I do that, let me first of all pay my own tribute to Bob Dudley, and to Brian Gilvary, for their outstanding leadership over the last decade.

Their stewardship means we entered the current brutal environment with good operating momentum and financial discipline - strong liquidity - and extensive optionality in our portfolio.

That is reflected in the underlying profit of \$10 billion we reported for 2019.

And in the operating cash flow of \$26 billion.

Of course, today's challenge is of a different scale than any experienced before.

Demand for our products has fallen further than ever.

We have an excess of supply in the market.

And measures to combat the virus have added complexity.

In the face of this, our people have been performing heroically.

Especially those on the frontlines of the business - keeping our retail sites open - and running our platforms, refineries, plants and trading and shipping operations.

Their capability and remarkable courage give us confidence in our resilience.

And we are in action to strengthen the financial health of bp:

- Reducing our capital expenditure by 25%.
- Targeting \$2.5 billion of cost savings by 2021, compared with 2019.
- And building a wall of liquidity - which currently enables us to access around \$32 billion of cash and undrawn facilities.

Through our actions we aim to lower bp's cash balance point to below \$35 a barrel in 2021.

Importantly, that figure assumes lower gas prices and refining margins.

And we are taking these actions:

- Mindful of our people - and the need to keep them safe and well - nothing is more important.
- Mindful of the communities where we all live and work - we want to help where we can.
- And mindful also of you, our shareholders - who expect value from your investments.

Clear direction of travel

At same time, we are maintaining momentum on the plans for reimagining energy and reinventing bp that Helge has just spoken about.

The more we understand the current situation, the more I am convinced that the decisions we took in February are right, for three reasons.

- Increasing uncertainty surrounding the future demand for oil - and volatility in oil markets.
- Increasing awareness of the fragility of the world we live in - and of the opportunities to build back better, greener and more resilient.
- Increasing attractiveness of stable returns from some renewables - to which capital has continued to flow. This at a time when some oil contracts turned negative - as they did last month for a day, for the first time in history.

We set a direction of travel in February - for bp to be a leaner, faster-moving, lower carbon company.

We are making good progress with this transformation - and I look forward to sharing more details when we host a capital markets day in September.

Performing while transforming

Let me finish by emphasising how committed we remain to performing while we transform bp.

We are in action for the near term - in response to the current environment.

And we are transforming for the future - to enable bp to deliver the reliable, affordable low carbon energy the world wants and needs.

But we do so fully focused on the fundamentals that have served us well.

Safe and reliable operations.

And our commitments to you, our shareholders.

We are operating in an environment of greater uncertainty than at any time most will recall.

But we are in action.

Not just to weather the storm.

But to emerge transformed and stronger for the opportunities ahead in the energy transition and our net zero ambition.

Thank you and back to you, Ian.