

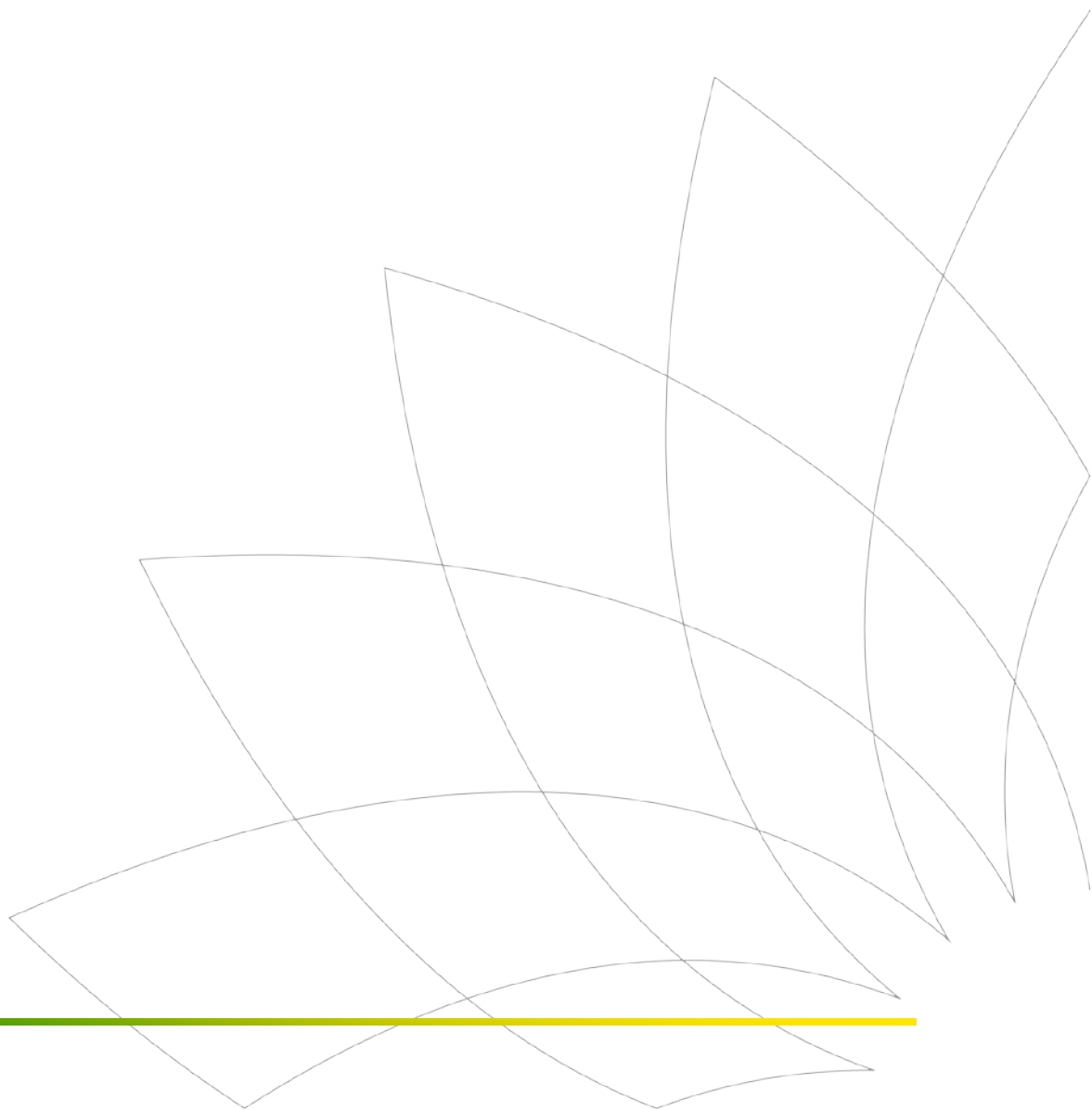


2021 Annual General Meeting: chairman's speech

Helge Lund

Chairman

12 May 2021



Welcome

In a few moments, I will say something about the resolutions proposed.

But first, I want to share some reflections on the past year – a year that has been extraordinary in every sense.

Extraordinary year

The pandemic has cost over 3 million lives so far, and many millions more jobs.

For long periods, large parts of the world have been in some form of lockdown – up to half the global population at a time.

Because demand for energy is so closely linked to human activity, our sector was hit hard.

That, in turn, contributed to a steep fall in share values for oil and gas companies, including bp.

Within bp itself, our people continue to work under tough Covid restrictions.

I want to thank them.

In extraordinary times they have responded with extraordinary commitment.

In refineries, at our retail stations, at sea on our platforms, they have faced real risks, and have helped keep energy supplies flowing.

Reasons for optimism

Yet even as the US, UK and China are bouncing back from the pandemic, the virus is resurgent in India and parts of South America.

Any optimism we feel must be tempered by what we know of the suffering still being endured in so many places, by so many.

Our hearts are with them.

Nevertheless, we can acknowledge that, this year, we do have reasons for optimism that we did not have a year ago.

At the time of our last AGM, the world had no Covid-19 vaccines.

Nor did anyone know how soon one could be produced.

Nor whether it would prove effective.

Now, the world has more than a dozen effective vaccines.

Despite an uneven start, more than a billion doses have been delivered so far.

And deployment is steadily accelerating.

Likewise, the energy industry is on a better footing than it was when we last met.

Thanks to the efforts of OPEC+ and a broad economic recovery, the oil supply is rebalancing, and prices are significantly higher.

bp itself is in a better position too.

Last year, we met having just launched our new purpose, a new ambition, and with all the uncertainty of the pandemic.

We were confident that major change could be delivered safely and profitably – as Bernard put it, that bp could perform while transforming.

But we also knew that the months ahead would be challenging.

We were at the beginning of the biggest reinvention in bp's history – pivoting from being an International Oil Company to an Integrated Energy Company.

We were yet to launch the strategy that would deliver that change – along with the new financial frame and investor proposition that would support it.

And all with a new CEO, a new leadership team – and a workforce operating remotely in exceptionally difficult conditions.

Yet now, much of that is already behind us.

Bernard's team has made very significant progress.

And we can now see that bp's new strategy is starting to work; it has just delivered a strong set of first quarter results.

bp is indeed performing while transforming.

But most significant of all – for the world and for bp – the past year has seen major geopolitical movement on climate.

We have seen:

- China set a new net zero target
- the EU initiate a far-reaching Green Deal
- the UK launch a plan for a green industrial revolution
- and the US recommit to the Paris Agreement.

These developments only strengthen our belief that bp's new direction is the right one.

Strategic progress

So, we have reasons optimism about the years ahead and what they hold for bp and our shareholders.

But we also recognize that the journey this far has demanded difficult decisions.

Turning bp into a leaner, nimbler, flatter company – what we call Reinventing bp – required a restructure that will see close to 10,000 people leave our company.

Our new distribution policy saw bp cut its dividend – another difficult decision, but one the board judged to be necessary for bp's transformation.

And I believe bp's new financial frame and investor proposition should instil confidence – as should the strong progress bp is making in meeting its financial priorities.

I expect that progress to continue.

Just as I am grateful to those on bp's operational front line, I am grateful to bp's leadership for the commitment they have shown in executing the strategy we have set out.

They have achieved major change – while running bp's operations safely and efficiently.

I thank Bernard and his team for that – and for their determination to see the job through.

That determination will be needed.

This will be a long journey, and a challenging one.

Resolutions for voting

That brings me to the resolutions proposed for voting today.

Of the 13 resolutions, the Board supports 12.

But we concluded that the 13th resolution is not in the interests of bp or its shareholders.

Although the resolution suggests otherwise, asking us to change our targets and aims now would necessitate changing the strategy we set for bp only last year.

And looking ahead, in practice the resolution would constrain bp's ability to adjust its strategy in future as the energy transition unfolds.

For those reasons, we urge shareholders to vote against resolution 13 – and you have until the end of our question and answer session today to submit your vote.

Thanks to shareholders

Finally, I want to especially thank you, our shareholders.

bp is fortunate to have many shareholders, with holdings large and small, who have given bp consistent support, whether through smooth sailing or turbulent times.

The past year has been among the most turbulent of all.

We are grateful for your continuing support.

Just as we welcome the support of our many new shareholders.

Since the beginning of last year, we have received investment and other endorsement from those who told us they would not have considered supporting bp were it not for the transformation we have begun.

We look forward to repaying the faith you have placed in bp.

Thank you.

Bernard, over to you.