

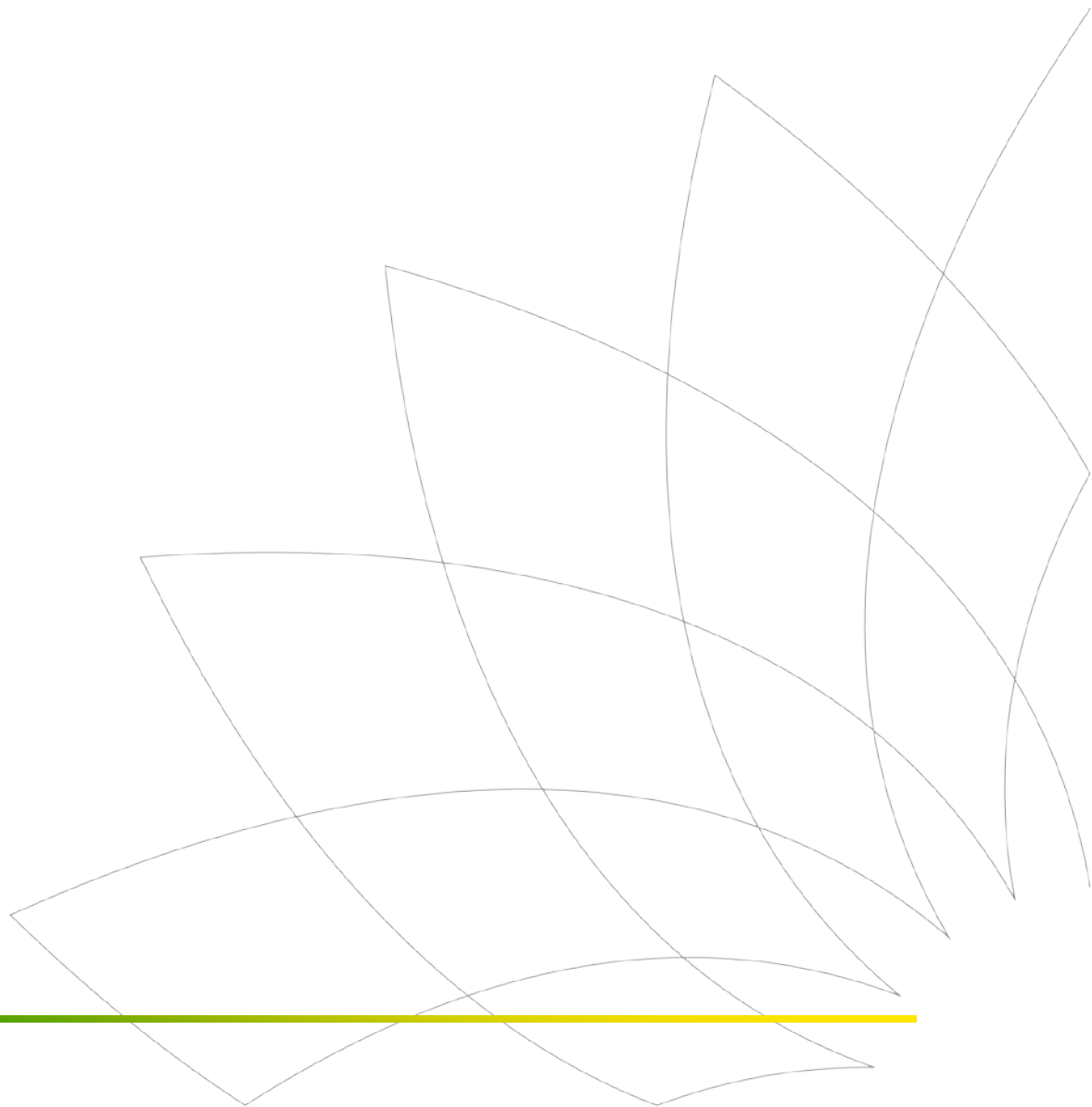


2021 Annual General Meeting: chief executive officer's speech

Bernard Looney

Chief executive officer

12 May 2021



Thank you, Helge - and my thanks to everyone joining.

This is the second AGM since I've been in this role and the second time we are meeting remotely.

But whether we meet in person or virtually, these gatherings are important.

It is a chance for us to update you – bp's owners - on the company's performance; it is your chance to raise any questions or concerns – and we will do our best to respond.

A year like no other

It has been an incredibly tough period. COVID –19, above all else, is a human tragedy. And now it feels like the world is on two divergent paths. Some of us are planning for a return to life more like what we knew before the pandemic. Many others are dealing with rising infection rates and deaths.

I am getting regular updates on the situation in places such as India and Brazil – and it is nothing short of heart-breaking.

Around the world we have lost colleagues to the virus and our thoughts are with their families.

Many of us have a family member or friend who has died or been taken ill. And more people around the world have been diagnosed with COVID in recent weeks than at any other point since the virus emerged.

At bp, we will continue to play our part supporting our people, our customers, our partners and our communities. Just like we have throughout the last year.

A year that will be remembered for pain, for sadness, and for loss of life.

And I want to pay tribute to our frontline staff – who have kept our plants and platforms, our forecourts and shops running. They have sacrificed so, so much – and they have earned our deep respect.

I also know this past year has been tough for shareholders. I recognize the financial impact on you of a reset dividend and a lower share price.

At the same time, I wholeheartedly believe in the strategy we have laid out, and which we are now focused on delivering.

Delivering on our strategy

As Helge said, this past year has been extraordinary in every sense – and that's certainly true for bp. In February 2020, we launched our new purpose and net zero ambition. And we also announced our intention to reinvent bp – our biggest re-organisation in decades. Then in August we unveiled our

strategy to transform from an international oil company into an integrated energy company – or from IOC to IEC. And at the same time, we said we were committed to performing while we transform bp.

We are beginning to show that, over time, we can transition bp to a lower carbon future AND at the same time deliver competitive cash returns for our investors. There need not be a choice.

But this all starts with safety – our core value.

This is so important to me and the company - I know from first-hand experience the pain it can cause when things go wrong.

That's why we consolidated a single set of principles that define bp's- safety culture - how we expect everyone to lead with care, with trust, and to feel able to speak-up when they see something that looks wrong.

These safety leadership principles apply to everyone – and they start with me.

Throughout the past year - our colleagues have looked after each other and shown a great sense of care. This has enabled us to stay safe, despite the multiple challenges of the pandemic.

And now we are making good progress in re-establishing maintenance activities that have been disrupted and bringing people back to our offices where we can do so safely.

Nothing is more important than caring for our people and as we like to say, a safe business is a good business.

And so we delivered a strong set of results for the first quarter of this year – generating \$11 billion of cash inflow from operating cash and divestment proceeds. We are being very disciplined with capital and very disciplined with costs.

We expect our capital outlay to be around \$13 billion this year – over \$6 billion lower than in 2019.

Our cash costs this year are expected to be \$2.5 billion lower than in 2019 – and on track to be \$3-4 billion lower by the end of 2023.

That has contributed to our net debt falling by \$18 billion in the space of a year – from \$51 billion in April 2020 to around \$33 billion today – even during the pandemic.

This disciplined approach has enabled us to more than meet our net debt target of \$35 billion – and move to a new phase of our financial frame– around a year earlier than planned.

We are committing to use at least 60% of our surplus cashflow to buyback bp shares, subject to maintaining a strong investment grade credit rating – in effect, returning the money to you, our shareholders.

We hope you'll find this combination of our resilient dividend plus buybacks a really attractive shareholder-proposition. That was our intention when we set out our financial frame alongside our strategy.

At the same time as delivering for today we have been making significant strategic progress for tomorrow. In the last year alone, we have:

- Delivered 6 major oil and gas projects around the world – adding 335,000¹ barrels a day of higher-margin production capacity.
- Moved into offshore wind – establishing businesses in the UK and the US – the world's largest offshore wind market and its fastest growing.
- Grown rapidly in solar energy – our brilliant solar joint venture Lightsource bp grew its development pipeline by around 3GW net to bp last year and another 1.4GW in the last quarter.
- Increased the profitability of our convenience business – adding around 300 convenience stores and growing the gross margin by over 10% year on year.
- Made EV-charging faster and easier to find - expanding the number of electric vehicle charging points to more than 10,000 – and by joining forces with BMW and Daimler, and with VW, we plan to see many more customers being directed right to our growing network of chargers.
- Started laying the foundations for a 10% share of key hydrogen markets, by leading the UK's biggest blue hydrogen project.
- Got plans underway for the UK's first Net Zero industrial hub, working with other energy companies.
- Formed new partnerships to help meet our net zero ambition – with cities like Houston & Aberdeen – as well as with some of world's leading companies including Amazon, Microsoft, Qantas and Uber.

¹ Net to bp

Performing while transforming

This is exactly what we mean when we talk about performing while transforming.

It's about being purpose-led and performance-driven.

Doing well for investors AND making a difference in the world.

Delivering cash for shareholders today AND transforming bp for tomorrow.

We have made a strong start – and we greatly appreciate all your support. We do not take it for granted.

I am optimistic about the year ahead. The team is in a groove. We are focused on the right things – safe and reliable operations, managing cost and capital, and disciplined step by step strategic moves.

Thank you for listening

Back to you, Helge.