2022 Annual General Meeting: chair's speech

Helge Lund
Chair

12 May 2022
Welcome
A warm welcome to the 113th Annual General Meeting of BP p.l.c.

My name is Helge Lund. I am chair of bp’s board of directors.

I am chairing our meeting today from the convention centre at Excel, London.

Before we start – in the unlikely event of an emergency during our meeting, please follow instructions from our team of ushers and the Excel staff, who will lead you to a place of safety.

I will begin by introducing my fellow board members.

On my right here in the room we have, in order:

- Paula Rosput Reynolds, Senior independent director and chair of the remuneration committee
- Ben Mathews, Company secretary;
- Bernard Looney, Chief executive officer; and
- Murray Auchincloss, Chief financial officer;

On the screens we have - starting on my far right:

- Pamela Daley;
- Sir John Sawers;
- Melody Meyer, chair of the safety and sustainability committee;
- Karen Richardson;
- Tushar Morzaria, chair of the audit committee; and
- Dr Johannes Teyssen.

It is now 1pm, a quorum is present, and I formally declare the meeting open.

Hybrid format
It has been more than two years since we were last able to hold an in-person AGM.

So it is good to be back.

And, in fact, we return having learned something.

We have learned that many shareholders like participating virtually.

So we have decided to continue offering that option.

And I want to give a special welcome to everyone joining us online today.
Agenda

In a moment, we will hear from Bernard Looney.

Ben Mathews will then cover the procedural arrangements for today’s meeting.

After that, the board and I will respond to your questions.

But first, I will share some brief reflections on the current operating environment, before saying something about the resolutions proposed for voting today.

External environment

We meet in what continue to be very uncertain times.

The pandemic may have receded – but it remains a threat in places, including in China.

Russia’s attack on Ukraine is having tragic consequences. All over the world, businesses and households are dealing with energy shortages, record prices, market volatility, supply chain disruption and widespread inflation.

Meanwhile, the threat of climate change has not gone away.

bp’s strategy - performing

In these circumstances, the contribution that bp must make could hardly be clearer.

We must continue to safely deliver the secure supply of energy on which societies depend, while at the same time reducing emissions.

In short, that means bp must continue performing.

Conducting the safe, reliable operations that underpin our strategy and give bp its licence to operate.

And when bp performs well, our shareholders should expect to benefit.

Shareholders who have stuck with bp during times both good and bad.

So I am pleased that over the last 8 quarters we have reduced net debt by almost $24bn.

For 2021, we announced shareholder distributions – that’s dividends and buybacks combined – equivalent to around $9 billion.

And we have just announced our intention to buy back shares worth a further $2.5 billion, before reporting our second quarter results.
Yet at the same time as performing, bp must make another, equally important, contribution.

**bp’s strategy - transforming**

To continue transforming – from an International Oil Company, into an Integrated Energy Company.

As Bernard will shortly explain – it is here, in the UK, that bp's transformation is making most rapid progress.

And the past year has shown that bp's strategy enables bp to do both. To perform and to transform – simultaneously.

**Agility**

But recent months have also shown why agility, too, is important.

On the 27th of February, the board decided that bp's involvement with Rosneft in Russia could not continue – and that ending that involvement would be in the long-term interests of bp’s shareholders.

Importantly, the decision required no changes to bp’s strategy, financial frame, or shareholder distribution guidance.

And in a further demonstration of bp’s agility, earlier in February – we provided an update on bp's strategy, and accelerated bp's net zero aims.

bp now aims to be net zero across operations and production and sales by 2050 or sooner.

That is unique among our peers.

It reflects our growing confidence.

In the bp team. In our ability to deliver on our ambition and strategy.

And in the opportunities for bp in the energy transition.

**Resolutions for voting**

That brings me to the resolutions proposed for voting today.

Resolution 3 provides you – bp’s shareholders – with an opportunity to express your view on the net zero ambition we have set, and the path we are charting towards it.

We ask for your support.
Of the remaining resolutions, the board supports all but Resolution 24 – proposed by a group of shareholders co-ordinated by the group Follow This.

Resolution 24 attempts to redefine – and to remove from the board’s control – the goals of the strategy that the board has already set out.

bp already has a net zero ambition.

We already have targets and aims for emissions reductions for the short, medium- and long-term.

And we are already providing regular updates on progress and performance.

For those reasons, Resolution 24 offers nothing beyond what we are already doing – other than to undermine your board’s control of our strategy.

The board, therefore, does not consider Resolution 24 to be in the best interests of the company and its shareholders.

We recommend that you vote against Resolution 24.

Close

In conclusion, with your support we will continue the job we have begun.

Delivering bp’s strategy – safely.

Producing the energy on which societies depend.

Creating long-term value for shareholders.

And continuing bp’s transformation – with the same focus, energy and determination the team has shown over the past two years.

Many people deserve thanks for the progress bp is making.

Every one of bp’s employees – for this commitment to the energy transition.

And for keeping bp operating safely and efficiently through the pandemic.

bp’s leadership.

Successfully bringing the company through a time of volatility and change.

Especially Bernard and Murray.
And of course, you – our shareholders.

All of you deserve our thanks.

Whether you are among those who have stayed the course with bp as we embarked on changes to the company.

Or new shareholders who have joined us for the journey ahead.

But perhaps I can also offer particular thanks to those shareholders with whom we have engaged directly over the past year.

That engagement has been extensive – amounting to several hundred meetings.

We have truly appreciated the feedback we have received.

And the time taken by shareholders to share it.

It has closely informed the proposals we have brought to you this year.

Including our Net Zero Ambition Report.

With the strength of the support you have shown us, bp will continue performing while transforming.

Thank you. And then – over to you, Bernard.

Cautionary statement

In order to utilize the ‘safe harbor’ provisions of the United States Private Securities Litigation Reform Act of 1995 (the ‘PSLRA’), bp is providing the following cautionary statement. This document contains certain forward-looking statements – that is, statements related to future, not past events and circumstances – which may relate to one or more of 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 are generally, but not always, identified by the use of words such as ‘will’, ‘expects’, ‘is expected to’, ‘aims’, ‘targets’, ‘should’, ‘may’, ‘objective’, ‘is likely to’, ‘intends’, ‘believes’, ‘anticipates’, ‘plans’, ‘we see’ or similar expressions. 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 outside the control of bp. Actual results or outcomes may differ materially from those
expressed in such statements, depending on a variety of factors including the factors discussed under “Risk factors” in the bp Annual Report and Form 20-F 2021.

Our Annual Report and Form 20-F 2021 and other period filings are available on our website at www.bp.com, or can be obtained from the SEC by calling 1-800-SEC-0330 or on its website at www.sec.gov.