

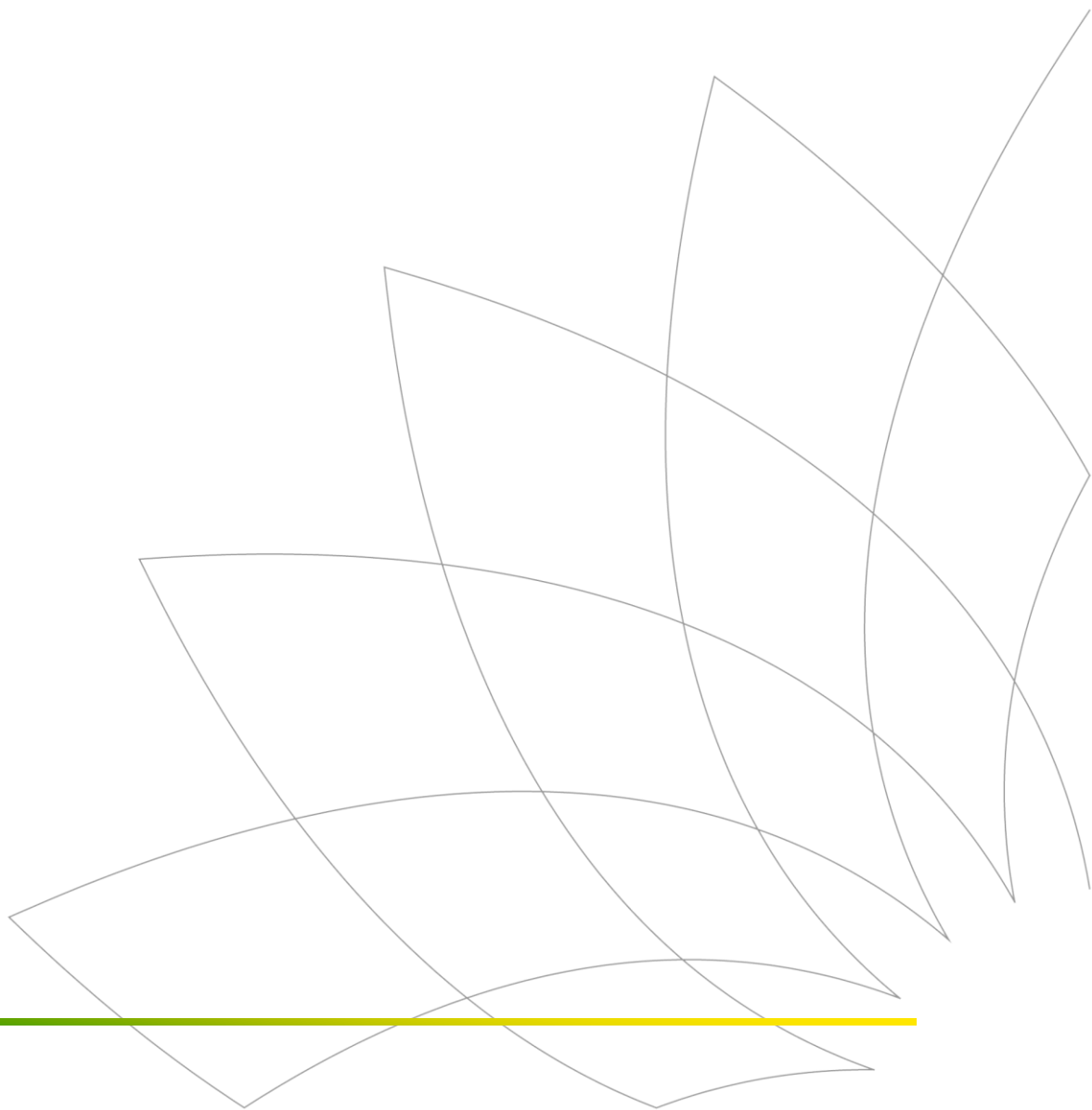


# 2022 Annual General Meeting: chief executive officer's speech

Bernard Looney

Chief executive officer

12 May 2022



## Welcome

Thank you, Helge

And hello to everyone – online and in the room. This is my first time attending the AGM in person as CEO. And it feels great.

This is one of the most important dates in the bp calendar.

It's when you hear directly from us.

More importantly, it's an opportunity for us to hear directly from you – and to answer your questions as best we can.

This is your company – and we never forget that.

## External environment

These are very difficult times for many people, as Helge has said.

Two years of the pandemic.

Now the heart-rending situation in Ukraine.

And a cost-of-living crunch.

Our main job is to keep delivering the energy the world needs.

Helping to ensure security of supply by providing reliable, affordable and – increasingly over time - cleaner energy.

And as a company, we are also supporting the humanitarian response.

We have remarkable people supporting refugees with the care and kindness and compassion our people are known for.

I want to particularly recognize our colleagues in the region – in Poland, in Hungary – for their amazing response.

As we work through our exit from Russia, our bp colleagues in the country are foremost in our minds. They are brilliant colleagues – And we are doing everything we can to support them.

## Performing while Transforming

We took the decision to exit Russia 96 hours after the invasion.

We believe it to be the right decision for bp and the right decision for you, our shareholders.

It does come with a financial impact.

Two weeks ago, in our latest financial results, we reported a headline loss for the quarter of \$20.4 billion dollars.

This is attributable to a Russia-related non-cash write-down of around \$25 billion.

I would like to emphasise three important factors in relation to that headline number.

First, our strategy, financial frame and our plans for the dividend and share buybacks are unchanged.

Second, your company is running well – as demonstrated by our performance over the past five quarters.

Third – we are making very good progress on our transformation.

That is true in each of our three core business areas – in hydrocarbons, in convenience and mobility and in low carbon energy.

It is also true around the bp world.

Two weeks ago, we signed our biggest ever deal for LNG, with Korea Gas Corporation, the world's biggest importer of LNG.

On the same day I was in Dusseldorf with the head of Volkswagen, charging the new VW Buzz at a Flexpole charger.

It's the first of 4,000 fast charging points for Germany and the UK that our two companies are going to roll out together.

## UK story

And here in the UK, in bp's home, our plan for reliable, affordable clean energy is more advanced perhaps than anywhere.

We're investing in lower emissions production of oil and gas in the North Sea.

We're investing in wind turbines in the Irish Sea and off the east coast of Scotland – enough to power over six million British homes every year.

We're investing in hydrogen and what we hope will be the world's first commercially viable gas-fired power station where the emissions are captured and stored safely away.

We're investing in our brilliant nationwide fuels and convenience network – that's the one where you can find an M&S food store right on your doorstep.

And we're investing £1 billion in our bp Pulse charging network – to help accelerate the shift to electric vehicles.

Our aim is to put fast chargers in all the places where EV drivers want and need them – with great shopping and great coffee.

Altogether, we're looking to invest up to £18 billion in the UK through to the end of 2030.

Delivering the energy the UK needs today, while at the same time, accelerating the transition to cleaner energy for the future.

And supporting new industries, new jobs and new skills in the process.

To summarise, we're backing Britain.

## Windfall taxes

And with that, let me take a moment to say a few words on energy taxes – a topic on many of your minds.

First – with higher oil prices and profits – we rightly pay higher taxes. Here in the UK, we expect our tax bill to rise 4 to 5 times this year – to well over £1bn. This will be mostly from the North Sea, which is already taxed at 40% – which is 20% higher than standard corporation taxes.

Second – people have asked if we are increasing investment in the UK. The answer to that is simply - yes. We used to spend roughly 10-15% of our capital in Britain. We expect to increase that to 15-20% this decade – adding up to around £18bn. All of it is focused on improving energy security in Britain, and the majority of it is focused on accelerating the energy transition.

Third – people ask, what are we doing with the profits we make in the North Sea? The short answer is we're reinvesting all of them. This decade – with our current plans – we expect to reinvest every £1 we make – and hopefully more. This, of course, is just the capital we are investing – we are likely to be spending just as much again running our day-to-day operations.

So, what's our view on windfall taxes? A stable and competitive fiscal environment is an important element in any investment decision – and that is what we have in Britain today. By definition, windfall taxes are unpredictable – and so would challenge investment in home-grown energy. We know that from past experience for the whole of the North Sea sector and supply chain.

In summary, we are backing Britain.

We're backing Britain because it has been our home for over 100 years.

We're backing Britain in what are difficult times for the country. This is exactly why I said our £18bn plans are not somehow contingent on whether or not there is a windfall tax.

We're also backing Britain because it is a great place to invest your money. We would love to invest even more – – and one of the key foundations of any such decisions will be a stable fiscal environment.

## Strategy is working

Looking globally, by 2025 we expect more than 40% of our capital to be in non-hydrocarbon businesses – what we call our 5 transition growth businesses: bioenergy, EV charging, convenience, renewables and hydrogen.

By 2030 we expect that to rise to around 50%.

We want to be investing in actions that will help us deliver our net zero ambition.

We are now – uniquely, we believe – the only major oil and gas company aiming to be net zero across our operations, production and the products we physically trade and sell.

Helge mentioned our Net Zero Ambition report.

This includes a lot of detailed information about our ambition, our targets and our progress.

Like Helge, I recommend voting for Resolution 3 – and against Resolution 24, which would delay and disrupt our progress.

## Conclusion - Focused on delivery

This is your company – we can only do this with your continued support.

Thank you for sticking with us through a period of profound challenge and change.

In 2020, we set a new direction for bp.

That is now done.

In 2021, we reorganized the company to make it more agile and fit for the future.

That is also done.

Now, we are fully focused on delivery.

On delivering the oil and gas the world needs today.

With lower emissions.

While at the same time, investing to accelerate the energy transition.

This is what an Integrated Energy Company can do – and the need for one has never been clearer.

Back to you, Helge.

### 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](http://www.bp.com), or can be obtained from the SEC by calling 1-800-SEC-0330 or on its website at [www.sec.gov](http://www.sec.gov).