



A seat at the table

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Introduction

Today, we all know the global carbon budget is finite and running out. Today, we all know that dramatic changes are needed to deal with that. And momentum for that change is growing all the time. The world wants as well as needs to be greener – and that's what makes change possible.

And what I'd like to do is ask a question which gets right to the core of how companies like bp can help to solve this problem.

The question is this...

If climate change could be solved by getting exactly the right people together around a table, who would those people be?

In the UK, we had something called the rule of six during the Covid lockdown. No more than six people could get together – not unless they were part of the same household.

So, let's say, if you could only get six people together around a table – around our table that is going to solve climate change – who would you invite?

Who would you have at the table?

Would you invite Greta Thunberg, who has mobilized a new generation behind climate action? Or maybe Luisa Neubauer, Adelaide Charlier, or Xiye Bastide? Or Damilola Ogunbiyi, the chief executive of Sustainability for All?

Would you invite Christiana Figueres – one of the architects of the 2015 Paris Agreement? Or Patricia Espinosa, who succeeded Christiana as the head of the UN Framework Convention on Climate Change – the UNFCCC.

How about Sir David Attenborough, Prince Charles, or Mary Robinson – whom my mother so admired. Or how about Pope Francis? What about John Sauven of Greenpeace, or Mark Rose of Fauna & Flora International?

Every one of them is remarkable – an influencer, a changemaker, a leader. Passionate about the world and desperately wanting to make it better. We could easily fill a table of six. Every one of them would be great – and I'm sure you can think of many more.

But I want to suggest a few different names to consider – some you might not ever contemplate.

Here goes...

I suggest we invite Jan Jenisch, the chief executive of LafargeHolcim, the world's biggest producer of cement. I'd also invite Lakshmi Mittal, the chairman of Arcelor Mittal – the world's biggest producer of steel.

How about Ed Bastian of Delta Airlines – or Søren Skou of Maersk, the big shipping company?

I'd like to invite Herbert Diess of Volkswagen and Mary Barra – she's the chair and chief executive of General Motors. And how about any of the people like me who run the big international oil companies?

You might be thinking, why any of them, including me? Why anyone from an airline when air travel alone accounts for around 3% of global emissions.

Why anyone from a cement company when cement is responsible for 8% of emissions.

Why anyone from a vehicle manufacturer when road transport accounts for 21% of emissions – unless it's Elon Musk.

Good question

What Elon Musk is doing with Tesla is amazing. He's a brilliant guy, a brilliant leader, running a brilliant company. Tesla sold around half a million electric vehicles last year. That's a big number, but it is less than 1% of more than 70 million cars sold in total in 2020.

Seven million of them were made by General Motors, the company Mary Barra runs. Over nine million by the Volkswagen Group, the business that Herbert Diess runs

And that is my point

If we are going to solve climate change, yes, we need brilliant green companies like Tesla, and lots more of them. But much more than that, we need many, many companies that are not green now to get greener – and, ultimately, green. We need companies like GM and Volkswagen; like Lafargeholcim and Maersk – and, if I might add – companies like bp.

I love the way Mark Carney puts it – he's the former governor of the Bank of England – and now a UN climate advisor. He's a true leader in this space. He says, to solve climate change, we have to go to where the emissions are.

And where are the emissions? They're in energy. They're in transport. And they're in heavy industries like steel and cement. Those three sectors account for around 70% of all global emissions.

So absolutely we need more solar companies, more wind companies, more battery companies, more companies like Tesla building EVs. We need more green companies – but green companies are not going to be enough. The world can't create or grow enough of them fast enough to get to net zero on a Paris timescale. It's just not realistic. The world also needs what I call 'greening companies.'

So what is a greening company?

It is a company that is high in carbon today and wants to be lower carbon tomorrow.

That's greening put very simply, but it's more than that – having aspirations is not enough.

To be a greening company, you have to do a number of important things:

- One – you have a clear and credible plan for your net zero transition.
- Two – you have to have near- and medium-term decarbonizing targets and aims as part of that plan.
- And three – you have to be open, public and transparent about those targets and aims, so you can be scrutinized and challenged on the progress you are making.

That way, people can see what you want to do. People can see how you intend to do it. And people can see if you are doing what you said you would do – and call you out if you're not doing it.

So, to come back to the question of who should have a seat at the table...

Is it the people who advocate for a greener world, or the people who run greening companies?

It's good that the rule of six has gone because the answer, emphatically, is both.

We need a bigger table

We need everyone around it. We need the people who drive change AND the people who can deliver change.

We need the people who are generating the momentum for change through the power of persuasion, argument and advocacy – AND we need the people who can deliver change by transforming their companies.

And not just transforming what they do – but transforming in a way that brings people and communities along on the journey. This is only going to work if no one gets left behind. We all have to do this together.

Now, it's not going to be easy

Transitions are complex, they are messy, and they don't lend themselves to simple solutions.

We are ready for that at bp and we are in action on our plan to diversify and decarbonize the company – our plan for greening bp.

We're growing low carbon businesses and shrinking our oil and gas business.

By 2025, we'll expect to be investing eight times more in low carbon than we did in 2019, and 10 times more by 2030 – that's around \$5 billion a year of low carbon investment.

At the same time, our plan is to make our oil and gas production 40% smaller by 2030 – 40% smaller. That is on a scale that no other company like us is planning to do right now.

It goes against decades of industry history – decades of grow, grow, grow. We're doing the reverse – we're going to shrink. And the oil and gas we continue to produce, we aim to do so increasingly efficiently and profitably – which is incredibly important, because it's where the money comes from to invest in growing low carbon businesses.

That's the core of our ambition to get bp to net zero by 2050 or sooner. And by 2030 – by reducing production and getting more efficient – we aim to have cut our operational and production-related carbon emissions by up to 40%.

That is our plan, and we don't just think it works for the planet. It works for bp and our shareholders because trillions of dollars need to be invested in replumbing and rewiring a lower carbon global energy system.

And we are at a moment in time right now with a unique set of circumstances.

As the world comes out of the pandemic, there is a huge desire to recover better.

Where people's jobs are part of a planned transition.

Where a fairer chance in life is part of a planned transition.

And I genuinely believe that – because of the size and scale and need for what we do – a just transition depends on whether or not greening companies like bp succeed or fail.

bp is one of an increasing number of greening companies already in action. But without help, progress is going to be slow. To do this better and faster, we need support.

We can move faster if there is global support for policies, incentives and regulations that make low carbon choices easier and cheaper than high carbon ones. The so-called decarbonization premium.

We can move faster if people invest in us and use their influence as owners of the company to challenge us to go further.

We can move faster if we have partners working with us across different industries, across governments, across universities – and in communities and towns and cities and regions around world – all open to listening, learning and collaborating – together.

Most of all, greening companies can move faster if we have the world's best talent working for us. It's an opportunity to help change the world in a very direct and practical way – and in doing so, be part of something far bigger than yourself.

We're in a world at the moment that's polarized – where things are either black or white. Where green is good, and if you're not green then you're bad.

I think that is a real problem.

Polarization and division will not get us where we want to go.

They are barriers that slow down progress when we need to go faster.

We can only solve this problem working together – by being inclusive and not exclusive – by making room for everyone around the same table.