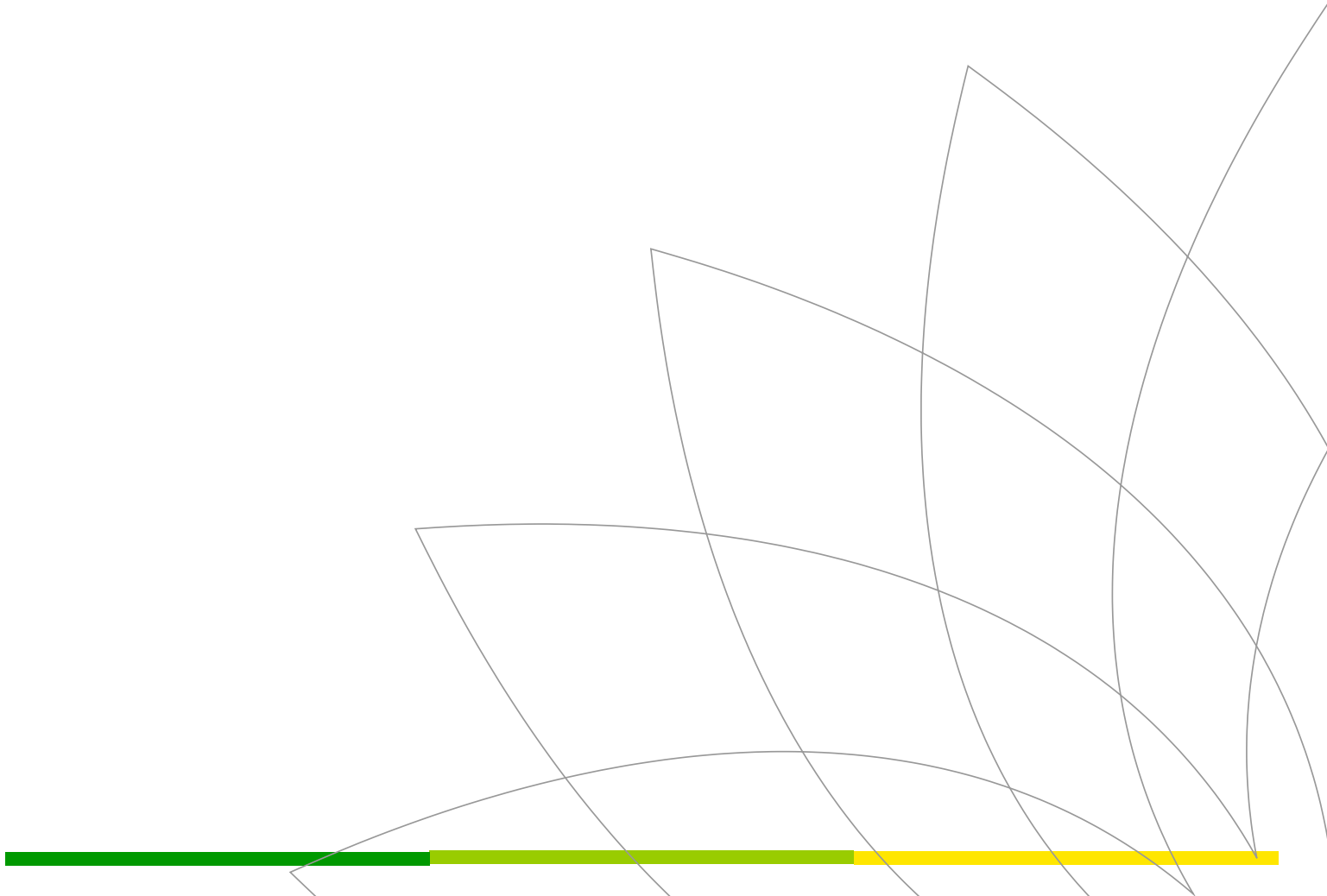




Advancing Low Carbon

Helge Lund
Chairman

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Continuity and change in China

Thank you, Ben.

And thank you, Minister, for sharing those remarks.

I'm delighted to be here and continue BP's support to this important event.

China continues to make remarkable progress.

I see that every time I come here.

In this industry we talk a lot about energy and the connection with improving living standards.

I don't think any country shows that better than China.

Over the last 30 years or so, energy demand here in China has soared.

So has GDP.

And so have living standards for millions of people in this country.

At the same time, no other country is doing more today to advance the global transition to a lower carbon energy system.

In 2017 alone, renewables consumption grew by more than 30% in China.

That growth is supported by a rise in gas consumption.

Gas is a vital fuel in the energy transition.

It's abundant, affordable, burns half the emissions of coal and is a great partner for renewables.

All that means China is using less coal.

In two decades' time, coal could make up around a third of the fuel mix.

That's a big change from well over half today.

Dual challenge

China exemplifies how we need to pursue the dual challenge of more energy with fewer emissions.

The need to meet rapidly rising energy demand in fast-growing economies, like China's, while also working hard to bring down emissions.

To be on course to meet the Paris goals, global emissions need to roughly halve by 2040.

China is making real progress— not least because of the leadership shown by the government.

It's planning to see carbon emissions peak by around 2030, if not before.

And the Blue Sky initiative sets out an environmental action plan that will help improve air quality.

This is just one positive example of how the energy transition brings tangible benefits for citizens around the world.

But reducing emissions is only one half of the dual challenge.

The world also has to meet rapidly rising energy demand – which could rise by a third over the next 20 years.

There are no quick fixes to this vast and complex challenge. The truth is we're going to need many fuels, including oil and gas.

And we have to make them all cleaner, better and kinder to the planet.

But it's a challenge that the energy industry – and certainly BP – thinks we can meet.

For that to happen, we will all need to work together: corporations, governments, NGOs and citizens.

Industry action

As BP's new chairman, I want to see our industry continuing to help advance the energy transition. For that, we need an approach that's both progressive and pragmatic.

Progressive to advance a lower carbon future.

Pragmatic to enable global energy needs to be met.

We have to be open to new ideas.

We must to learn fast.

And we need to be technologically savvy: able to harness all the potential of the rapid advances in digital and other new technologies.

We're already seeing the benefits technology can bring to our business:

- Algorithms are helping to find new energy reserves and maximize existing ones.
- Drones and crawlers are taking our people out of harm's way.
- And hi-tech cameras are enabling us to detect and mitigate fugitive emissions.

But we can and must do more.

And we can help each other by collaborating increasingly closely with one another, so we can share experiences and know-how.

A cooperative world

That collaboration is really important.

Because as a global energy provider, BP wants to help produce the energy the world needs and get it to the places it's required.

We can do that most effectively in a world that is stable, predictable and co-operative – one where energy is able to flow as freely as possible.

A world governed by those principles, with strong partnerships, can build common prosperity.

And, as the title of this conference notes, that can lead to a real 'win-win' scenario.

That's certainly what BP aims for with our many partners around the world.

Working with our Chinese partners

BP is guided by its values of safety, respect, excellence, courage and one team.

We think this helps build trust between us.

It's an approach that has proved enduring and successful here in China over the last 45 years or so.

- We're expanding our Downstream presence, with plans to add 1,000 new fuel stations in the country over the next five years. And we're building a new, energy-efficient lubricants plant in Tianjin.

- In the Upstream, we've been working with CNOOC for almost 15 years on a Liquefied Natural Gas terminal and trunkline project in Shenzhen. It's the first of its kind here in China – and will help meet China's rising demand for natural gas and LNG. So it's a pleasure to share the stage with Yang Hua, the president of CNOOC.
- And we're looking to the future by investing in companies like NIO Capital and PowerShare to pursue opportunities in advanced mobility, including electric vehicles. Not to mention partnering with Elion on a carbon-offset program in China's forestry sector and continuing our work here licensing increasingly efficient raw material for plastics.

These are just some of the many examples of our work in China.

We have many others.

And we see ever more potential to come together and help to deliver the energy that China needs, but in ever cleaner and better ways.

We've even developed a framework that gets our entire business helping to advance the energy transition.

We're reducing emissions in our operations; we're improving our products so customers can lower their carbon footprint; and we're creating low carbon businesses.

And we've backed this up with ambitious, near-term targets, including one to hold net growth in our operational emissions flat out to 2025, even with a significant growth in our production.

Conclusion

So let me conclude.

These are extraordinary times.

The world's hunger for energy, together with society's demands for lower emissions will require serious, comprehensive and fast changes – both inside and beyond our industry.

As energy providers, we have a critical role to play.

We are fully engaged in playing our part and we stand ready to work with others.

So I'm optimistic the world can make this work, despite the scale of the challenge facing us.

We have the technology, the know-how and increasingly the will.

I'm heartened by the work that is already underway. In BP, across the industry, and here in China -- and we must continue to accelerate our efforts.

And I look forward to finding more ways of bringing us closer together, as we all work to help advance the energy transition.