



Advancing the energy transition launch

Bob Dudley

Group chief executive

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Good afternoon everyone - thank you for coming.

I'd like to welcome two special guests joining us today.

Mark Tercek is the President and CEO of the Nature Conservancy. He's one of the world's best-informed voices when it comes to advocating for the natural world and how to protect it.

Mark is joining us on the line from Arlington, Virginia.

And here with us in St James's Square we have Professor Steve Pacala from Princeton University.

Steve is one of the world's leading climate scientists. He's an expert on methane.

Steve is co-director of the Carbon Mitigation Initiative which is a partnership between BP and Princeton.

We set it up nearly 20 years ago now to help find solutions to the carbon and climate challenge.

A very warm welcome to all of you.

I know we have many familiar faces here today from our investor community, NGOs, academia, policymakers and the media.

Many of you have played a part in BP's low carbon journey over the years.

We have asked you all here today because we have some exciting news to share.

Advancing the energy transition

You should all have a copy of our new report - Advancing the energy transition.

It's our first report we've produced that's exclusively about our lower carbon activities and the opportunities ahead.

It covers our new BP-wide approach to lower carbon - an approach we call....Reduce....Improve....Create.

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It includes details of the ambitious emissions targets we're setting - including an overarching target to keep our emissions flat out to 2025, even as we grow production.

It also includes the details of the accreditation programme we're launching today, called Advancing Low Carbon.

I'll very briefly introduce each of these new BP plans and targets, and then you'll hear more from my colleagues and our special guests.

That should take no more than half an hour - then we'll have plenty of time to take your questions.

Next significant step

What you'll hear from us today is the next significant step on a journey BP has been on for many years.

Next month it will be 21 years since John made his landmark speech about climate change at Stanford University.

That's over two decades of action, but we go back even longer than that in renewables.

We've had downs as well as ups, and we've learned from all of those, including how to create value.

That's why renewables are still a big part of our commitment to low carbon.

But we are now taking aggressive actions across all of our businesses

- upstream and downstream,
- trading and shipping
- and alternative energy as well.

We are reducing emissions in our own operations, improving our products to help customers lower their emissions, and creating low carbon businesses.



Reducing. Improving. Creating.

So that's our framework and we believe it will enable us to keep growing, to help meet growing global demand for energy.

But as our business grows, our net emissions will not.

And by the way, we'll keep doing things in the safe, reliable and disciplined BP way, focused on shareholder returns.

Targets and aims

So our overarching target is to keep emissions at or below our 2015 levels until at least 2025.

And we are backing that up with two specific and near-term targets that challenge us to make real, measurable and transparent progress.

The first is to deliver 3.5 million tonnes of sustainable greenhouse gas reductions by 2025.

And the second, over the same timescale, is a methane intensity target of 0.2%.

And we will use offsets where necessary to ensure that our net carbon emissions - each year out to 2025 - are no bigger than in 2015.

We have deliberately chosen a 2015 baseline as it's when governments came together in Paris to set the UN climate goals.

Advancing low carbon

To underpin our RIC framework we are launching a wide-ranging and multi-layered accreditation programme.

It covers the whole BP group and the programme involves both external oversight and independent assurance.

Products or activities carrying the Advancing Low Carbon logo are ones we believe will make a meaningful contribution to lower carbon - and we're already seeing how it's inspiring our people to look for new and better, lower carbon ways of doing things.

Let me emphasize that today's targets are not an end point.



We know there will be more for us - and the world - to do.

But we believe our concrete plans will build momentum in our business. And we hope they will encourage others to do the same as well.

We think they are a tough set of targets and aims for today.

And we also see them as the basis for even bolder action tomorrow.

Now I'd like to hand over to Dominic Emery, our head of strategy, and invite my colleagues from the executive team to the stage:

- Lamar McKay, our Deputy chief executive.
- Bernard Looney, head of upstream, and
- Tufan Erginbilgic, head of our downstream business.

Dominic and the panel will take us through a fuller explanation of why we chose these aims and targets and how we plan to achieve them.

Over to you Dominic.

Closing remarks

On behalf of BP, let me thank you again for coming today.

Thank you Dominic, and thanks to Steve and Mark as well.

And thank you to Bernard, Tufan and Lamar.

The fact that you see all of us here together for this event tells you something about how serious we are - I hope it does.

John - I hope what you've heard makes you proud.

I recall the excitement across the whole of BP when you spoke at Stanford back in '97.

I sense that same feeling again about our new plans and ambitions.

We're highly motivated inside BP and ready to deliver on our targets.

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As I said earlier, we recognise this as another step on our journey. A significant one.

But as we get things done we'll learn, get better, and find more that we can do.

And as we make progress, I expect we'll keep raising the bar.

It feels like the stars are aligning for making progress, outside BP as well as inside it.

Society is talking more with one voice about low carbon.

Governments came together in Paris on a broad policy objective.

Technology is opening up new possibilities - not just with renewables but with gas as well - unlocking vast amounts of gas that can replace coal and be a perfect partner for renewables.

Our industry is also in the right shape - we're leaner, fitter and more disciplined having just come through the downturn.

And because of all of these conditions, we're seeing the supermajors pursuing low carbon in a range of different ways, from batteries to biofuels.

We're also working together through organisations such as the Oil and Gas Climate Initiative and the billion-dollar low carbon investment fund that Pratima leads.

But as much as we're all doing individually and collectively, oil and gas companies alone cannot solve this problem.

Our experience in BP tells us that a global challenge on this scale requires everyone playing a part, from consumers to corporations to governments.

As you'll see in the conclusion of our report, we believe there are three keys to success.

The first of these is focusing on reducing emissions rather than promoting any one fuel as the answer.

The world will need all forms of energy for a long time to come.

A race to renewables is not enough. It is a race to lower emissions, so we need to make all fuels cleaner.



The second priority is energy efficiencies of all kinds, from the little actions we can all take individually, every day, to the huge possibilities for gains being opened up by technology and data.

The third priority is policy, and more specifically, carbon pricing.

It's our belief that among the most meaningful action that governments could take is to bring about clear, stable pricing frameworks that will incentivize low carbon choices and change the behaviour of individuals, of businesses and of governments.

By responding collectively on these priorities, then even a challenge as complex as climate change can be met.

In BP, we're committed to playing our part - as you have heard from us this afternoon.

Thank you again for your interest, your questions and your time.