



# 2017 Annual General Meeting: chairman

Carl-Henric Svanberg, chairman

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17 May 2017





Good morning.

My name is Carl-Henric Svanberg and I am the Chairman of BP, your Company.

Welcome to our Annual General Meeting 2017.

I am very pleased to see so many familiar faces here today.

Thank you for joining us.

Today, we are going to discuss 23 resolutions. These are set out in the Notice of Meeting.

I would like formally to propose all of those resolutions.

We will discuss them during the meeting and then vote on a poll at the end.

This is my eighth year as Chairman of this extraordinary company. It is a rare privilege and a great responsibility.

The world energy market is evolving rapidly and your company is adapting to meet that change.

In our 109 year history, it is unlikely that there has ever been as much change as there is now. In a few minutes, I am going to talk to those challenges and opportunities.

But first, let me talk to the year just gone

Each time we have met we have had important matters to reflect on.

But this year we think is different.

And Bob, our CEO, and I will be explaining why.

Let's first look at the backdrop to events.



2016 was a year of change when we saw a number of challenges raised by economic, political and social forces.

It was a year of uncertainty, complexity and volatility.

In the energy world, the oil price started to rise and to stabilise.

The industry increased its focus on the transition to a lower carbon economy.

But there was more to the year than that.

In 2016, we could start to put behind us the restrictions of the past and to look to the future with growing confidence.

To build on the foundations that Bob and his team has laid in the years since 2010.

We must never forget the events of 2010.

They are part of us, they are who we are and they will help shape our future

And our future lies in our strategy

And in growing the company.

So what enabled us to do this?

Bob and the team have created a solid base.

We are safer and financially sounder.

We returned to bottom line profit

We have a reshaped portfolio which is more competitive, that is more resilient and that is able to respond to a low oil price.

A measure of this is worth noting.

We always seek value above volume.



Yet, with all our recent investments, in a few years' time, our production should be back at the same level as before we had to sell a third of our assets to cover the Gulf costs.

In all of this, 2016 was a good year considering the continued tough environment.

And our performance last year is important when we come to consider the question of remuneration later in the meeting.

So how do we see the future?

We have to be clear on the short and medium term whilst recognising the challenges over the longer term.

We have to be ready to meet the resource needs of today and tomorrow while anticipating the growing demands of the transition to a lower carbon world.

And we must be ready for whichever pace that this transition takes.

Each year we produce a view of the energy world over the next 20 years.

We regularly look at different scenarios.

In this we can see the actions that could be needed in these different scenarios.

We need these scenarios as we cannot predict the pace of change.

Looking out over this timescale, consumption of oil will slow and eventually peak.

Oil prices will continue to be under pressure. Efficiency and low cost production will be rewarded.

Gas will replace coal for power generation.

Motorists will benefit from advanced fuels and lubricants.



Over the next twenty years we will see the effect on oil consumption of increasingly efficient combustion engines.

And obviously sales of electric vehicles will accelerate.

Renewables will grow rapidly, more than the growth of fossil fuels combined

Change is happening.

And it is happening at an accelerating pace in the energy world.

So from this has come our Strategy.

It's set out in our Annual Report.

As a company we can be more agile and need to be ready to adapt.

So we will focus on advantaged oil, which is producing oil at lower cost.

And we are increasing our investment in gas

We are looking keenly at our downstream activities and the markets in which they operate.

We will grow our renewables business.

We have created a dedicated venturing business.

And we will look at venturing and low carbon options across a number of fronts from advanced mobility to power storage.

This is a very important new initiative

And we'll do all of this in a way which will be simple and which will transform the way that we work.

From this strategy we have set a clear course for BP over the next five years. Bob will be talking more about this shortly.



It has been a rewarding year where the Board and the executive team have been deeply involved in all of this work.

We are excited by the prospect

One of the challenges, which we face, and which is faced by many large businesses is the public's wish for business to do more in society.

And this is clearly also on the minds of governments.

As directors of BP, we have a clear purpose, to provide heat light and mobility to the communities which we serve and to do so through the transition to a lower carbon economy.

We are a global business operating in over 70 countries. We are long term players in many of these countries.

To operate effectively in the long term we need to be trusted by those with whom we come into contact,

And we need the trust of our shareholders that we will deliver long term value to them.

It's a balance.

Global companies, with clear values, can act as a positive force in local communities. At BP we invest in education, enterprise and energy sustainability across the world.

But today our focus is here.

The UK is our home.

We are proud of our heritage and ready to take our share of the responsibility.

We recognise the need to play a positive role.

And I believe that we do, through employment, through education and through investment.



At our meeting last year, you, our shareholders, sent us a very clear message on how we approached paying our Executive directors.

We said we would listen and come back to you with a renewed policy for remuneration.

You will have seen the steps we have taken this year and which we are proposing for the future

Ann Dowling and the Remuneration Committee have worked throughout the year, thoroughly to review our practices.

This work has involved all of the Board.

We will discuss this new policy and the outcome from the Committee's decisions later in the meeting.

I believe that our approach is appropriate, that it is responsive and that it is balanced.

I am pleased to see that we do have support for these new proposals and I would like to thank Ann and her committee for all the work which they have done during the year.

Over the year we have seen changes on the Board.

Cynthia Carroll and Andrew Shilston have both stood down at this AGM. Andrew cannot be with us today and he sends his apologies.

Both Cynthia and Andrew have made substantial contributions over their time on the Board.

We thank both of them for all that they have done.

Nils Andersen joined the Board during the year. Nils has broad experience as a CEO in the energy, shipping and retail areas.

We are proposing that Melody Meyer is elected to the Board today. Melody has spent all her career working around the world in the oil and gas industry and will bring substantial experience.



You will find full details of Melody and Nils, and indeed of all the directors, in your Notice of Meeting.

With Andrew standing down today, the Board needs to appoint a new Senior Independent Director.

I will be asking Ian Davis to take this role.

I believe that we are in a good place with a sound strategy, a solid business and above all a great team.

So, we are clear in our path and in our goals.

And we know that the world can and will change.

Our strategy lets us be ready for that!

Thank you for your support.

Thank you to Bob and his whole team. They have done a great job in bringing us to where we are today.

Thank you to my Board colleagues.

BP is a great company and we are ready for the future.

I am very pleased to hand over to Bob,