



# 2019 Annual General Meeting: chairman

Helge Lund  
Chairman

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## Introduction

Good morning and welcome to the 110th Annual General Meeting of BP p.l.c.

It's our first one in Aberdeen, and only the second outside of London.

So, this is new for BP – and I am new as well.

My name is Helge Lund and I am your chairman.

Today, we are going to discuss 23 resolutions.

These are set out in the Notice of Meeting.

I would like to start by formally proposing all those resolutions.

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

The last two resolutions have been requisitioned by two separate shareholder groups.

They relate to climate change and propose new targets and disclosures for us.

We will have opportunity to talk about them in detail later in the meeting, and consider the implications for BP's business resilience, low carbon ambitions and the energy transition.

So, we have a lot to get through, but let me start by saying why we are here in Aberdeen.

The main reason is because it allows shareholders who might not come to London to take part and Aberdeen is a natural choice.

BP set up headquarters here 50 years ago – in 1969.

With 15 people.

And we have been here ever since – now with more than a thousand people.

I know many of you here are part of the BP team today – or have been before.

We welcome you, and all our shareholders.

These occasions are important.

With governance requirements evolving, they are a constructive way for me and my fellow directors to meet with our shareholders to ensure that we take the widest range of views into account.

Meeting outside of London is one way in which we look to improve our engagement with you, and with other stakeholders, and embrace the constructive changes in governance.

So, we will keep the location of the AGM under review.

In future we may rotate venues between London and other UK cities.

In terms of progress, it is an exciting time and we are in a good position.

That reflects very well on my predecessor, Carl-Henric Svanberg.

I would like to pay tribute to him today.

In his 9 years in this role, Carl-Henric guided BP through difficult times.

First and foremost, the tragic accident in the Gulf of Mexico.

Then a period of low oil prices.

He steadied the ship.

Encouraged resilience.

And helped to set a new course for different times and different challenges.

He did that so well.

Now we are strong again.

With a good structure, a clear plan and good operating performance.

BP is evolving in a dynamic energy market.

We are investing in considered ways, with great care.

And we are flexible for the future.

Bob will talk more about that in a moment.

For now, I will update you on the other changes to the board since last year, and then talk about what I see as most important for the next few years.

## Board update and role of chairman

As well as Carl-Henric retiring as Chairman, Alan Boeckmann and Admiral Frank Bowman have also stepped down from the Board.

Alan after almost 5 years and Skip after nearly 9.

Their contribution to BP has been very important...

Particularly on safety, ethics and environment assurance.

Neither can be here today but we thank them both and wish them well.

We will miss their guidance, but this is the nature of change and we have planned for it.

Nils Andersen is standing for re-election but unfortunately has been ill this week and was unable to travel to Aberdeen. We wish him a speedy recovery.

I am pleased that Ian Davis has accepted my request to continue as our Senior Independent Director.

BP and the Board will continue to benefit from Ian's experience and candour until at least the 2020 AGM.

And joining us in the course of the last year were Dame Alison Carnwath and Pamela Daley.

They bring experience and expertise from large and complex companies.

This means that following today's AGM, we will operate at full strength with 12 directors, which I believe to be the right number and which still provides us with the wide range of skills a modern company needs of its board.

Of the 10 non-executives, five are women and five are men.

So, we have an improving diversity of knowledge, expertise and ways of thinking.

That's important, and as a Board we will continue to evolve to reflect the challenges ahead of us.

As Chairman, an important role is to help create the right atmosphere in the boardroom.

Making sure everyone feels able to discuss every issue freely, so that we bring the best out of each other.

And to develop an open, constructive and challenging dialogue with Bob and the executive team.

With a good dialogue we can provide effective support as they develop the strategy, execute on the plan, evolve the organisation and ultimately respond to business challenges.

Of course, good governance means that there has to be separation between Board and Executive.

On the board we need to check and challenge on your behalf.

We can do that better if there is a high level of trust between us.

The more trust we have, the more effectively we can challenge.

And that leads to better outcomes for the company and for you.

So, I hope I can count on you for your support when it comes to the election and re-election of my board colleagues.

## Openness, modernization and the energy transition

Now I want to look further ahead, and there are many areas we need pay attention to.

Today, I wanted to focus on three topics of particular importance.

The first of these is openness.

Society's trust in many institutions is low – in politics, the media, as well as in corporations like BP and others.

For us, trust is vitally important. It is the foundation of our licence to operate.

We have to earn that trust by being forward-looking...

Engaging with society...

And being open and transparent in our relationships with partners, governments, shareholders and other stakeholders around the world.

Since joining last July, I have been to Beijing, Muscat, Rotterdam...

Our major business centre in Sunbury...

Several of our locations in the US...

And now Aberdeen.

I like to see things for myself.

I like to meet the people who drill our wells, run our plants and pump our fuels.

I'm encouraged by what I have seen so far.

The BP values are deeply embedded.

We have a team that is committed to doing excellent work – and doing it the right way.

Treating everyone with respect...

Showing courage...

Working as one team.

Above all else, people want to be safe – which is our core value, number one priority and essential to earn society's trust.

It is also our best defence.

I think of safety like a football team.

If you have a strong defence then you can compete much harder and also win.

My second area of focus is modernization.

Technology - particularly digital - is changing the world at an extraordinary pace.

And it will deeply impact every part of our business too. We are a leader in our industry in areas like seismic, in supercomputing and in the analysis and use of data.

In Oman, our Khazzan gas plant is state of the art.

So are the plans we have for our new region of Mauritania and Senegal.

I've seen for myself how digital tools are bringing safety to life for our people at our refinery in Rotterdam.

So, we have a good platform and strong expertise, but we will need to keep moving faster all the time.

And we must ensure we can continue to attract, motivate and retain the very best people – the most capable people – to BP.

The third area of focus is the energy transition.

The transition must happen and is already underway. Billions of people around the world need more energy to improve their lives.

At the same time, carbon emissions need to come down at a much faster pace than we see today.

More energy with fewer emissions.

That is the dual challenge.

BP is a big company and a big company carries great responsibilities.

At BP we can play an important role.

We have the talent, the desire, the financial and technical capabilities, and the relationships.

My mission is to see BP advancing the transition while remaining an attractive investment proposition.

To do that we need to be progressive in our approach.

We have to be inclusive, accessible and collaborative, and increasing the pace of innovation inside BP and in partnership with others.

And we also need to make sure that our operations function really well.

A disciplined executer, highly competitive and fully focused on what we call our RIC framework: reducing emissions, improving our products and creating competitive low carbon opportunities.

## Our purpose

This challenge – the dual challenge – is the defining issue for the energy industry today.

It gives us a clear purpose.

A purpose that is strongly linked to society's needs.

That is true of BP.

Our purpose is to advance energy to improve people's lives.

The world needs more energy, but it needs energy that is cleaner, better and kinder to the planet.

With our global scale, know-how and understanding of the global energy system there are big opportunities for BP in the transition.

We aim play our part in the transition and to deliver on a strategy that is consistent with the goals of the Paris Agreement.

We have a lot to do!

Thank you.