

Our aims & objectives

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More \$ for
new energies

Our aim 5 is to increase the proportion of investment we make into our non-oil and gas businesses.

Over time, as investment goes up in low and zero carbon, we see it going down in oil and gas.



How we will meet our aim

Our low carbon investment focus will be on:

- Low carbon electricity generated from low carbon energy sources
- Bioenergy
- Hydrogen and carbon capture and storage (CCUS)

Our new gas and low carbon energy (G&LCE) business will focus on: integrating our gas and renewable value chains; developing new market opportunities in gas; driving decarbonization technologies; building and growing low and zero carbon businesses and markets; leveraging digital energy solutions and innovatively financed business models.

Our new regions, cities and solutions integrator (RC&S) will identify and deliver integrated energy and mobility solutions to help customers decarbonize by bringing together bp's capabilities, products and services and with our partners, creating value greater than the sum of its parts.

Our performance in 2020

We made low carbon investments totalling \$750 million in 2020 (>\$500 million in 2019) with new projects agreed or coming onstream across our low carbon focus areas.

Wind

bp wind energy is a business we have been building for over a decade with a gross generating capacity of 1.7GW, operating nine onshore wind assets across the US.

In January 2021 we completed formation of a strategic US offshore wind partnership with Equinor to pursue offshore opportunities in the US, including the purchase of 50% in the Empire Wind and Beacon Wind projects.



^ bp wind energy has formed a strategic partnership with Equinor to pursue offshore opportunities in the US.

Our agreement with Equinor to form a strategic partnership will give us a new and growing platform for growth in renewable electricity with offshore wind energy.

The partnership is expected to develop up to 4.4GW of offshore wind power across four projects. In January 2021 two of the projects were selected to provide 2.5GW of power to the State of New York, subject to contract. This adds to the 816MW awarded in 2018 by the same state, for a total of 3.3GW formally awarded across three of the four projects.

And in February 2021 bp and German utilities partner EnBW were awarded preferred bidder status on two highly advantaged leases in the UK. The leases, both located in the Irish Sea,

offer a combined potential generating capacity of 3GW, the maximum award possible under the rules of the round, and a 60-year lease life. Once operational, this generating capacity would be sufficient to power more than 3.4 million UK households with clean electricity.

bp's wind energy business now has a potential gross capacity of

9.1GW

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Lightsource bp in Spain

Based in the Zaragoza province of Spain, Vendimia is a cluster of five solar plants and is Lightsource bp's first major project in the country. The project was developed to final investment decision (FID) at the end of 2019. It's now under construction and is expected to come online during 2021 – showing the execution capability and speed at which Lightsource bp can complete solar projects.

Once online it's expected to bring 247MW of renewable generating capacity to the region and provide clean energy to around 50,000 households. The project uses efficiently structured finance and features a seven-year PPA locked-in with bp trading & shipping,

which will ultimately supply bp retail stations, a great example of how we're using the power of integration.

Lightsource bp intends to continue its growth in Spain through the recently announced acquisition of a 1GW development pipeline, from which it expects to mature projects in the near future.

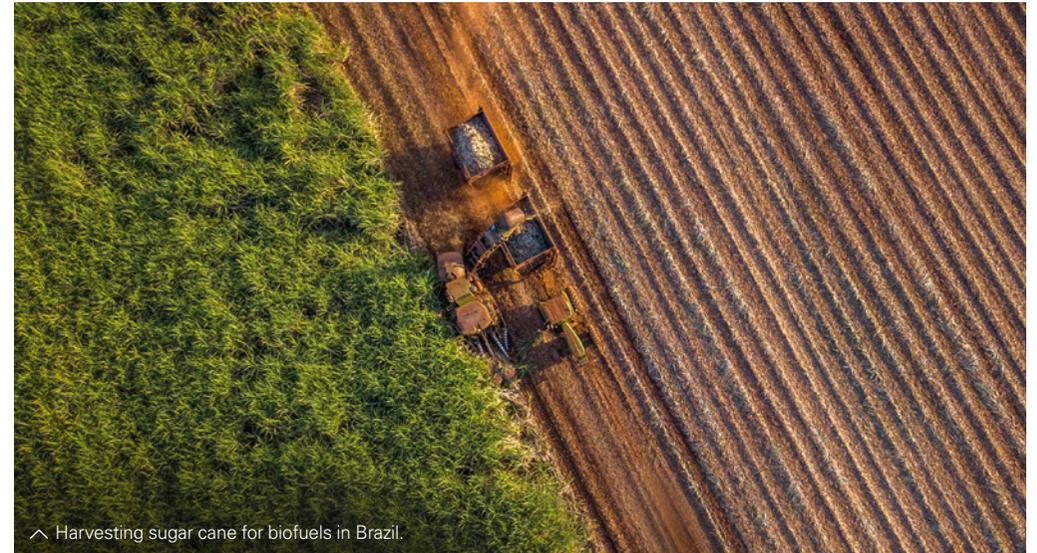
Expected to provide clean energy to around

50,000

households



^ The Lightsource bp Vendimia solar project uses bi-facial technology.



^ Harvesting sugar cane for biofuels in Brazil.

Solar

Lightsource bp, in which we hold a 50% interest, is a leader in the development and management of solar energy projects. The business has maintained its growth throughout 2020, developing 1.4GW gross to FID in the year. In 2020 it also grew its strong project pipeline by about 6GW bringing it to around 17GW gross and is investing in leading-edge technology to meet its customers' needs.

In 2020 bp completed its investment in the Green Growth Equity Fund (GGEF), a joint venture between Lightsource bp and Everstone Capital, which is managed through EverSource capital. Based in India, the fund aims to rapidly scale-up commercially viable low carbon solutions across the country, such as solar power, mobility solutions or sustainable infrastructure management.

Bioenergy and biofuels

Our bioenergy joint venture (JV) in Brazil, bp Bunge Bioenergia, has continued its integration processes throughout 2020, despite the impact of the COVID-19 pandemic. All of its operated sites are now certified by RenovaBio and can emit and trade decarbonization credits known as CBIOs. The JV in 2020 had an annual crushing capacity of 28 million tonnes and exported 1,232 GWh to the Brazilian grid.

We have capacity in biogas and are already one of the largest suppliers of renewable natural gas into the US transportation sector through our JV with Aria Energy. We are already one of the leading sustainable aviation fuel (SAF) marketers, and at the end of 2020, we had supplied SAF at 18 airports in six countries. We aim to have around a 20% share of global SAF sales by 2030. And in 2021 we announced our strategic partnership

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with Qantas to jointly explore opportunities to reduce carbon emissions in the aviation sector, including the potential use of advanced sustainable fuels.

In 2020 we continued to scale up co-processing of biogenic feedstocks at our refineries increasing our global capacity and expanding our operations to the Gelsenkirchen refinery. We plan to grow our co-processing volume by 2025, together with the further development of waste and circular feedstock supply and processing capabilities.

Opportunities in hydrogen

In March 2021, we announced that we are developing plans for the UK's largest blue hydrogen production facility, targeting 1GW of hydrogen production by 2030. The project would capture and send for storage up to two million tonnes of CO₂ per year. The proposed development, H2Teesside, would be a significant step in developing our hydrogen business and make a major contribution to the UK government's target of developing 5GW of hydrogen production by 2030.

And with RWE in Germany we are part of a group of seven companies planning to build a green hydrogen grid which could include green hydrogen production, transport and industrial use.

Hydrogen and CCUS

Hydrogen can play a key role in decarbonizing power, industry and heavy goods vehicle transport. It complements our existing businesses and capabilities. We are exploring the production of both green hydrogen (electrolysis of water using renewable power) and blue hydrogen (extracted from natural gas and the CO₂ is captured and stored), with the latter enabled by the scale-up of carbon capture use and storage (CCUS).

We've signed a Letter of Intent with Ørsted at Lingen refinery to explore the potential of building a green hydrogen facility and in 2020 we announced a feasibility study in Australia with ARENA (Australian Renewable Energy Agency) to explore the use of solar energy to power the production of green hydrogen, which in turn could be used to create green ammonia for a clean energy carrier, targeted at domestic and export markets.

We believe CCUS can play a vital role in limiting emissions, helping us achieve our net zero aims and supporting global efforts to meet the Paris goals. CCUS can significantly reduce emissions from gas-fired power generation and energy-intensive industries. It can be used with natural gas to produce blue hydrogen, and with biomass to produce renewable hydrogen for use in power generation, transport or hard-to-abate industrial sectors.

New low carbon and digital businesses

We are innovating new low carbon and digital businesses through bp Ventures and Launchpad. In 2020 we acquired a controlling interest in Finite Carbon, the leading provider of forest carbon credits in the US.

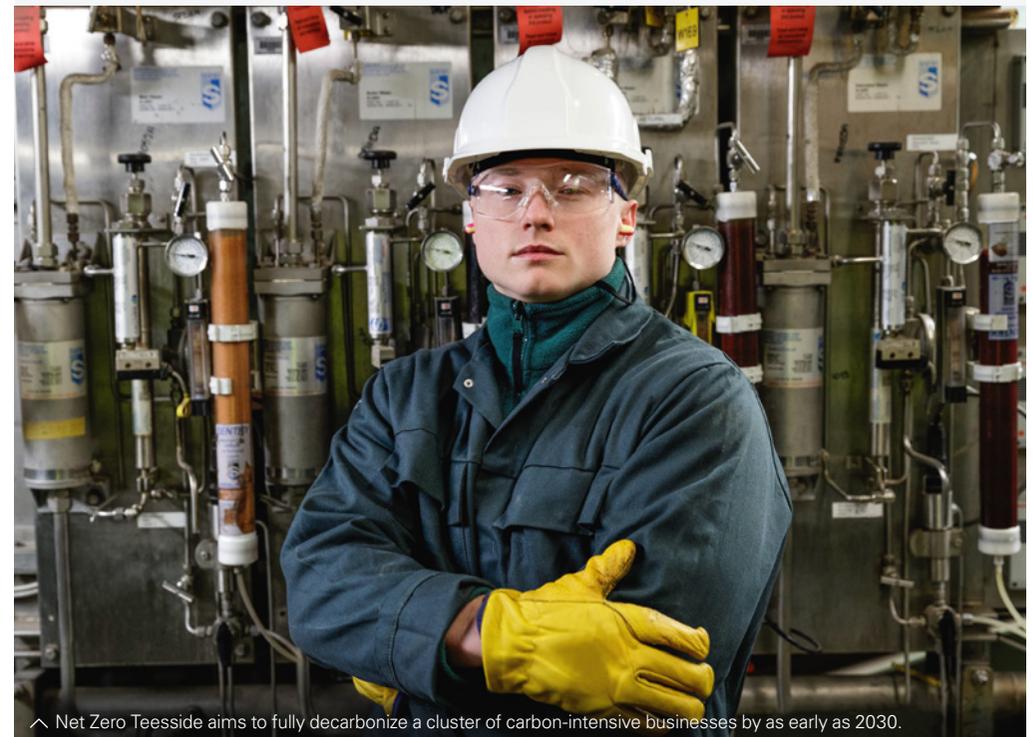
Helping to create the UK's first net zero industrial cluster

In the UK bp is playing a lead role in the Net Zero Teesside (NZT) and Northern Endurance Partnership (NEP) projects. These projects aim to deliver the UK's first gas-fired power station with CCUS, and decarbonize a range of carbon-intensive businesses across Teesside, creating what would be the UK's first net zero industrial cluster.

The creation of NEP in 2020 saw us join forces with five other energy companies – Eni, Equinor, National Grid, Shell and Total –

to develop shared offshore CCUS infrastructure in the UK North Sea, which will serve both NZT, and Zero Carbon Humber (ZCH), which is a consortium of leading energy and industrial companies and academic institutions working to create a net zero cluster in the Humber region.

If successful, NEP, NZT and ZCH would help to decarbonize nearly 50% of the UK's industrial cluster emissions.



^ Net Zero Teesside aims to fully decarbonize a cluster of carbon-intensive businesses by as early as 2030.

Cautionary statement

In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA'), bp is providing the following cautionary statement. This document contains certain forward-looking statements – that is, statements related to future, not past events and circumstances – which may relate to one or more of the financial condition, results of operations and businesses of bp and certain of the plans and objectives of bp with respect to these items. These statements are generally, but not always, identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see' or similar expressions.

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Actual results may differ from those expressed in such statements, depending on a variety of factors including the risk factors set forth in our most recent Annual Report and Form 20-F under "Risk factors" and in any of our more recent public reports. Our most recent Annual Report and Form 20-F and other period filings are available on our website at www.bp.com, or can be obtained from the SEC by calling 1-800-SEC-0330 or on its website at www.sec.gov.

