

2022 *Our impact* on the EU27 countries



Louise Kingham CBE
Senior vice president, Europe
and head of country, UK

Louise

Foreword

Louise Kingham

bp has been part of people's lives in Europe for over 100 years. We employ over 16.000 people across our refineries, terminals, retail sites, production and R&D sites. We supply fuels that European businesses and citizens want and need, and we are in action to remain a trusted energy partner for the 'Net Zero Europe' of the future.

Transforming alongside Europe

We believe the world needs a better, more balanced energy system. As one of the most technologically advanced economies, and the world's third-largest energy consumer, Europe has the ability – and the opportunity – to lead on this. And it displays the political will to carve out an ambitious transition pathway that safeguards Europe's competitiveness and leaves no one behind.

Today's energy system needs to be more secure, affordable, and increasingly lower carbon. This is where bp comes in. As one of the world's largest energy companies, we want to play our part in helping to address these three key issues. We are already in action investing in both today's energy system, which is mainly oil and gas – and, not or – in lower carbon energies.

Europe is a vital part of our global strategy in action

Globally, we see incredible growth potential in low-carbon energy and have increased our capital spend on non-oil and gas activity, which includes our low carbon and other transition growth businesses, from around 3% in 2019 to around 30% in 2022. We expect to invest more than 40% of our capital expenditure in transition growth engines by 2025 and around 50% by 2030.

We allocate our capital competitively and Europe is an important market for bp. We see strong potential for future investments into the region. In Spain, for example, bp recently announced plans to invest, subject to regulatory support and funding, up to

€3bn over the course of this decade – and in Germany, this figure is planned to reach up to €10 bn over the same time horizon.

These investments in the European energy system will help provide the energy Europe needs today – predominantly oil and gas – and contribute to the energy transition by working to develop and scale lower carbon forms of energy for the future.

Our footprint in Europe today

This report, which we have commissioned by Oxford Economics, illustrates our economic impact in the European Union today. We contributed about €12 billion to the gross domestic product of the European Union, we collected and paid €13,9 billion in taxes and stimulated a further €3,8 billion in tax payments along the supply chain. We employ over 16.000 people across the European Union. And our supply chain spending supported an estimated additional 115.000 jobs and benefited many businesses, too.

Working together to make the transition happen

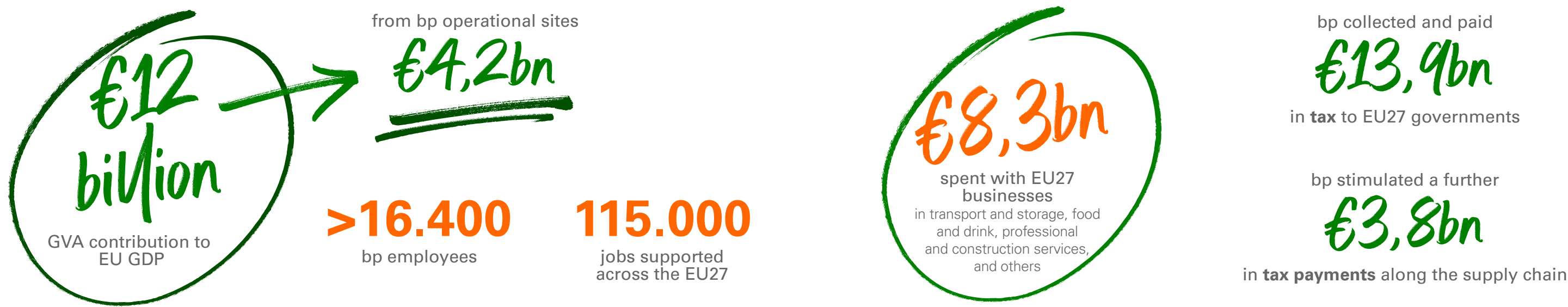
We want to be part of the solution, and we see a huge opportunity for bp. More people driving EVs means more customers for our growing EV charging networks. More airlines buying sustainable aviation fuel means more customers for our growing bioenergy business. More electrification means more demand for our emerging North Sea wind business. More interest in switching steel and cement furnaces to hydrogen means more potential for the hydrogen business we're building.

But nobody can do this alone. And it is a fact of life that many lower carbon energy technologies still need funding or regulatory support to be competitive. That is why we work closely with governments and other stakeholders to simplify and accelerate things like policies, grid access and permitting that affect delivering lower carbon energy.

To sum up, bp wants to play its part in Europe. We want to help increase the region's supply security and help work together to achieve its net zero targets. We are rising to this challenge, using our resources, experience, and innovation.



At a glance – bp’s 2022 EU27 economic contribution



bp makes a substantial contribution to the EU27 economy

- In total, bp supported **€12 billion** in gross value added contributions to EU27 GDP in 2022 – equivalent to **0,08%** of EU27 GDP.
- bp’s own operations directly created a **€4,2 billion** gross value-added contribution to EU27 GDP.
- bp employed **16.484 people** and stimulated a further **115.000 jobs** along the EU27 supply chain.
- bp spent a total of **€8,3 billion** with businesses in EU27 countries. Companies in every EU27 country benefitted.

bp is an important collector and payer of tax in the EU27

- bp collected and paid **€13,9 billion** to EU27 governments in 2022.
- bp stimulated a further **€3,8 billion** in tax payments along the supply chain.
- Total taxes supported by bp, totalling **€18 billion**, were equivalent to **0,24% of all general revenue** collected in 2022 by EU27 governments.

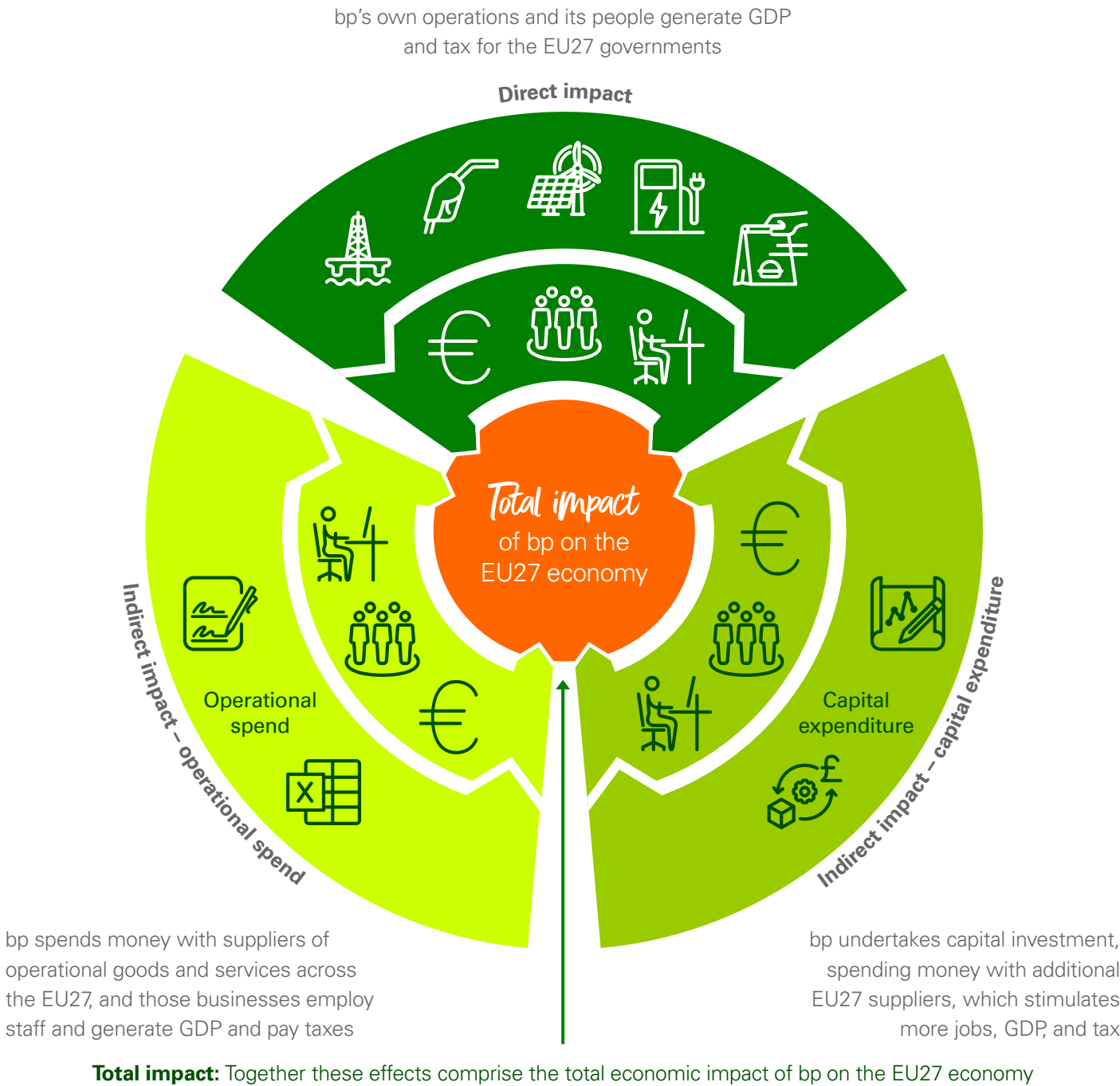
Overview of the economic impact analysis

Oxford Economics measures bp’s contribution to the economy across three channels of impact: direct, indirect due to operational spending, and indirect due to capital expenditure.

bp’s impact along those channels is assessed using these three metrics:

- **Gross value added:** This is the contribution to EU27 gross domestic product (GDP) that bp supports. At a company level, gross value added is the sum of that company’s total compensation of employees, profits, and taxes on production.
- **Employment:** This is measured on a headcount basis for comparison with Eurostat’s employment data.
- **Taxes supported:** The value of taxes sent to EU27 governments. This is the combined value of the taxes bp collects and pays itself; plus the value of the taxes bp supports along its supply chain.

While most economic impact studies assess economic impacts based only on spending that occurs within the country of interest, this report goes further by assessing the impact of bp’s global procurement activity on the EU27 economy. This is important because bp’s operations span multiple countries. Oxford Economics’ bespoke Global Sustainability Model captures spending within countries and across their borders, facilitating estimates of the benefits to the EU27 from bp’s global supply chain spending.



Direct impact – bp’s operations directly benefit the EU27 economy

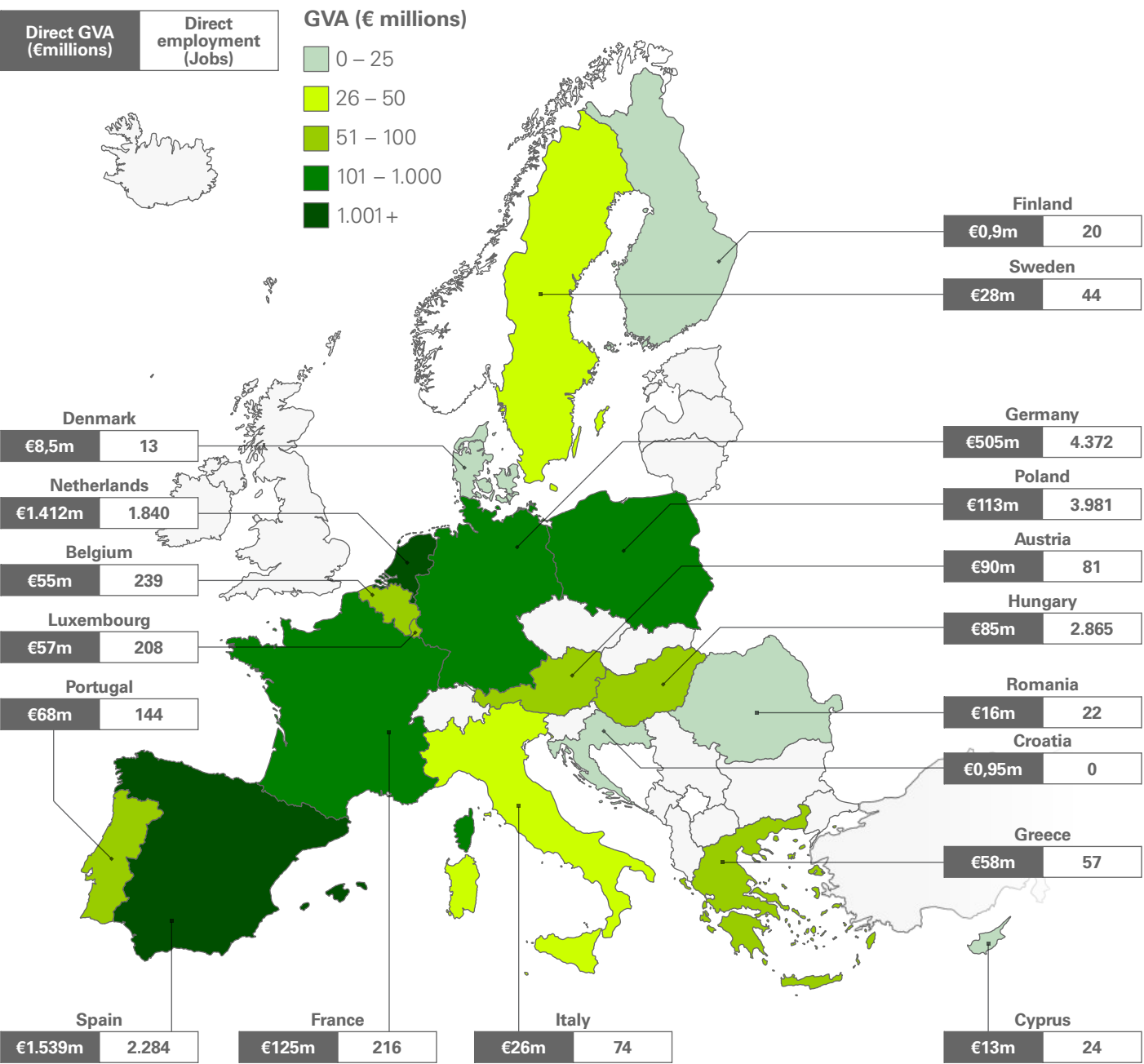
bp has operations in 18 countries in the EU27, and its own activities generate direct impacts in each of these countries.

bp directly contributes significantly to the EU27 economy through its wide range of operations, which include exploring for hydrocarbons, refining oil and gas, operating power plants, manufacturing lubricants and petrochemicals, running retail sites, developing lower carbon energy solutions, researching and innovating, and managing office functions.

In 2022, bp directly:

- generated a **€4,2 billion** gross value-added contribution to EU27 GDP; this included a **€1,5 billion** gross value added contribution to Spain’s GDP, a **€1,4 billion** gross value added contribution to the Netherlands’ GDP, and a **€505 million** gross value added contribution to Germany’s GDP.
- employed **16.484 colleagues** in the region, including being responsible for **4.372 jobs** in Germany in 2022, **3.981 jobs** in Poland, **2.865 jobs** in Hungary, and **2.284 jobs** in Spain.
- paid and collected **€13,9 billion** in tax for the EU27 governments.

Fig. 1. Direct gross value added and employment generated by bp in the EU27 in 2022



Source: bp

Indirect impact – bp’s spending with EU27 suppliers stimulates economic activity across the EU27

By buying goods and services from its suppliers, bp supports those suppliers as they generate their own gross value added, jobs, and tax impacts.

bp spent **€8,3 billion with** suppliers of goods and services in the EU27 in 2022, with beneficiaries located in every EU27 country. This procurement spending supported:

- **€7,8 billion** worth of additional gross value added contributions to EU27 GDP, or **€1 in every €2000** of EU27 GDP.¹
- **115.000 jobs** within EU27 member states in 2022.
- **€3,8 billion** in tax payments to EU27 governments.

bp’s spending consisted of a substantial amount of operational spending (**€7,3 billion**), as well as of capital expenditure (**€1,0 billion**). About **13.700 suppliers** benefited from bp’s procurement spend in 2022.

Fig. 2. Gross value added, employment, and tax supported in the EU27 by bp’s expenditure with suppliers, 2022

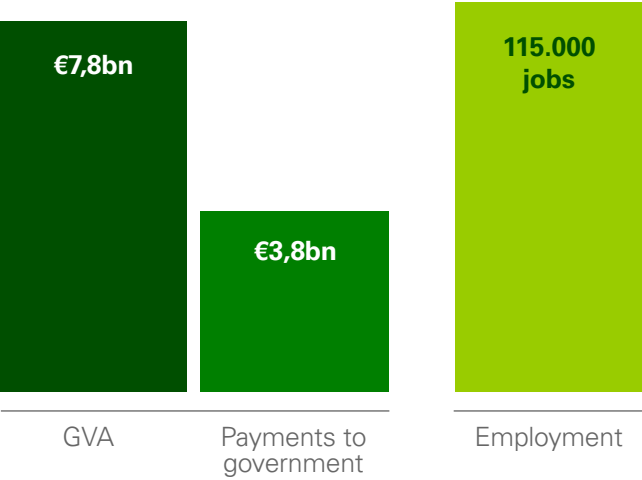
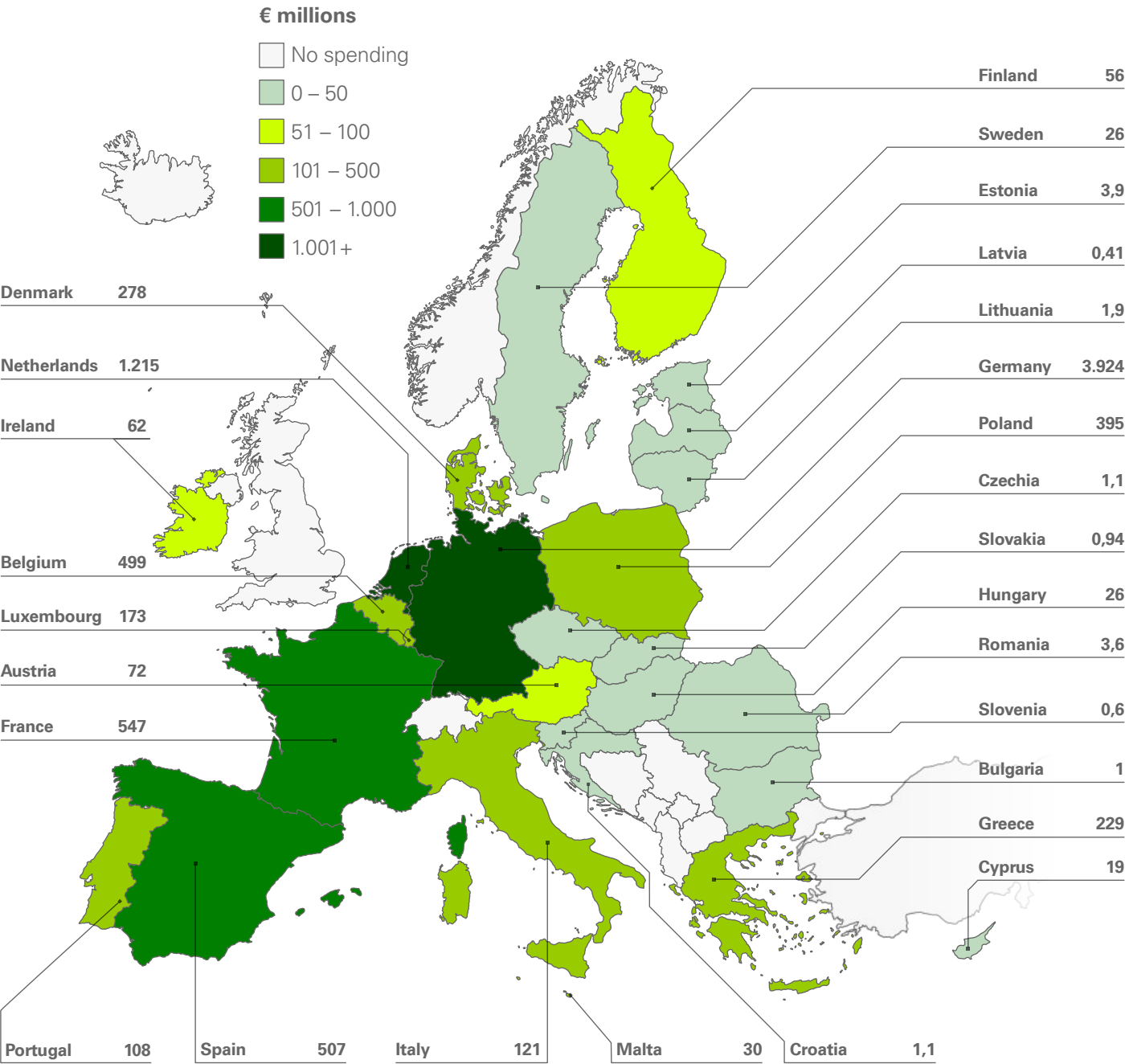


Fig. 3. bp’s spending with third party suppliers in EU27 countries in 2022



Source: bp

Source: Oxford Economics

¹ EU27 GDP was €15.8 trillion in 2022. Source: Eurostat. 2023. GDP and main components (output, expenditure and income). Code: NAMA_10_GDP. Accessed from https://ec.europa.eu/eurostat/databrowser/view/NAMA_10_GDP__custom_6349320/default/table?lang=en [Data extracted on 26 May 2023].

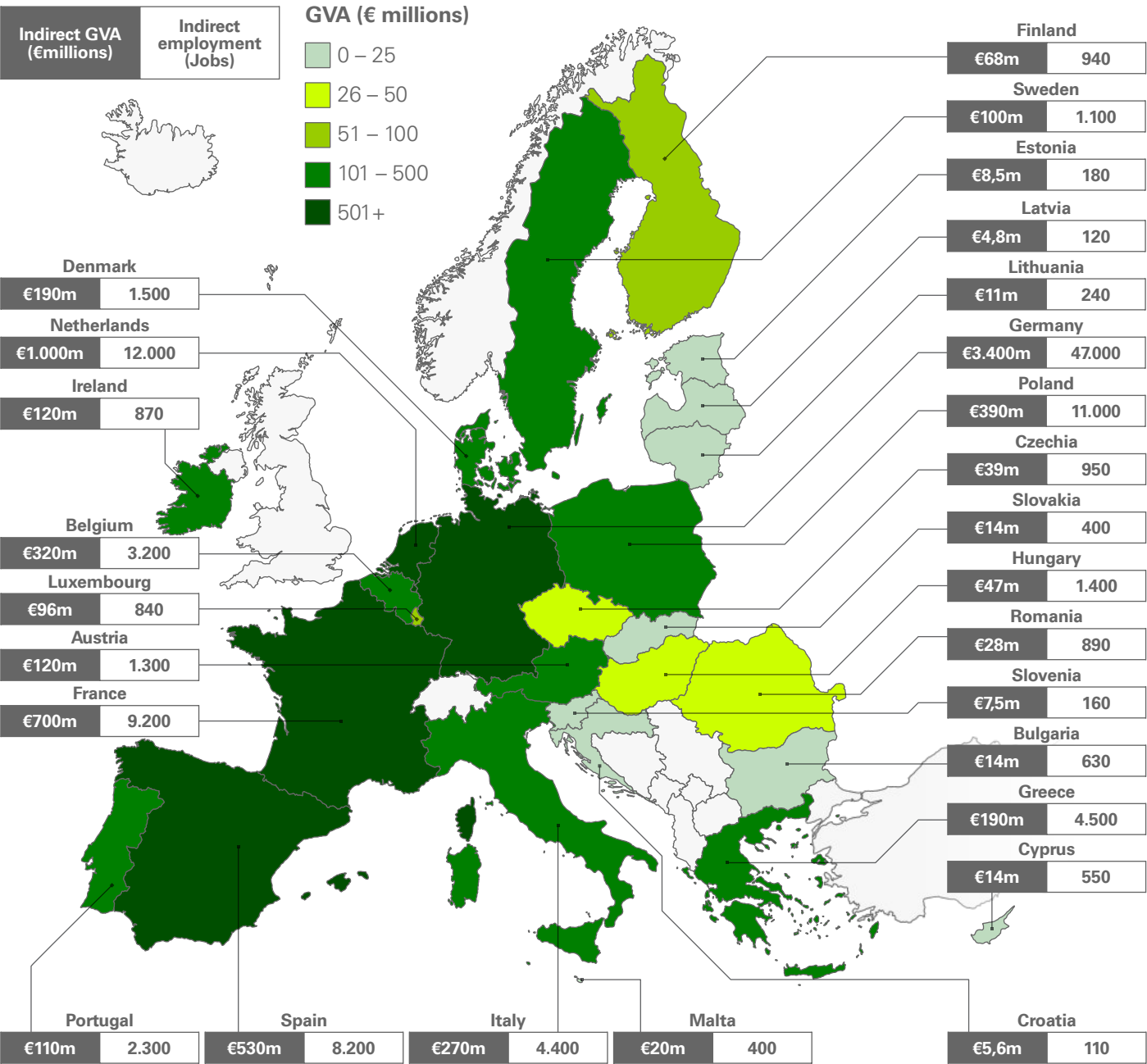
bp's spending benefits all countries in the EU27

Due to the diverse range of its operations, bp buys goods and services from businesses in all EU27 countries, supporting economic activity across the EU27.

Of the **€7,8 billion** in gross value-added contributions to EU27 GDP bp supported along the supply chain, **€3,4 billion** was supported in Germany, **€1,0 billion** in the Netherlands, and **€700 million** in France.

Of the **115.000 jobs** bp supported along the supply chain, an estimated **47.000** were in Germany, **12.000** were in the Netherlands, and **11.000** were in Poland.

Fig. 4. Indirect gross value added and employment generated by bp in the EU27 in 2022



Source: Oxford Economics

bp’s supply chain spending benefitted a wide range of businesses and sectors

Operational spending by sector

- Businesses in the transportation and storage industry (which includes activities like containerised shipping, fleet management, and warehouse operations) benefitted the most from bp’s operational expenditure. In 2022, bp spent nearly **€1,9 billion** with firms in this sector, accounting for 26% of bp’s total operational spending in the EU27.
- Manufacturers of food and beverages – which supply bp’s retail sites – were also substantial recipients of bp’s operational spending, receiving **€1,3 billion** in 2022 (18% of the total).
- In addition, businesses that offer professional services (examples include research and development, legal, and marketing services) received **€686 million** (9%) of bp’s operational spending.

Operational spending by country

Of the **€7,3 billion** in operational spending:

- German businesses benefitted from **€3,6 billion** (49%).
- Firms in the Netherlands received **€1,0 billion** (14%).
- Belgian suppliers got **€492 million** (6,8%).

Operational spend (€ millions) 2022

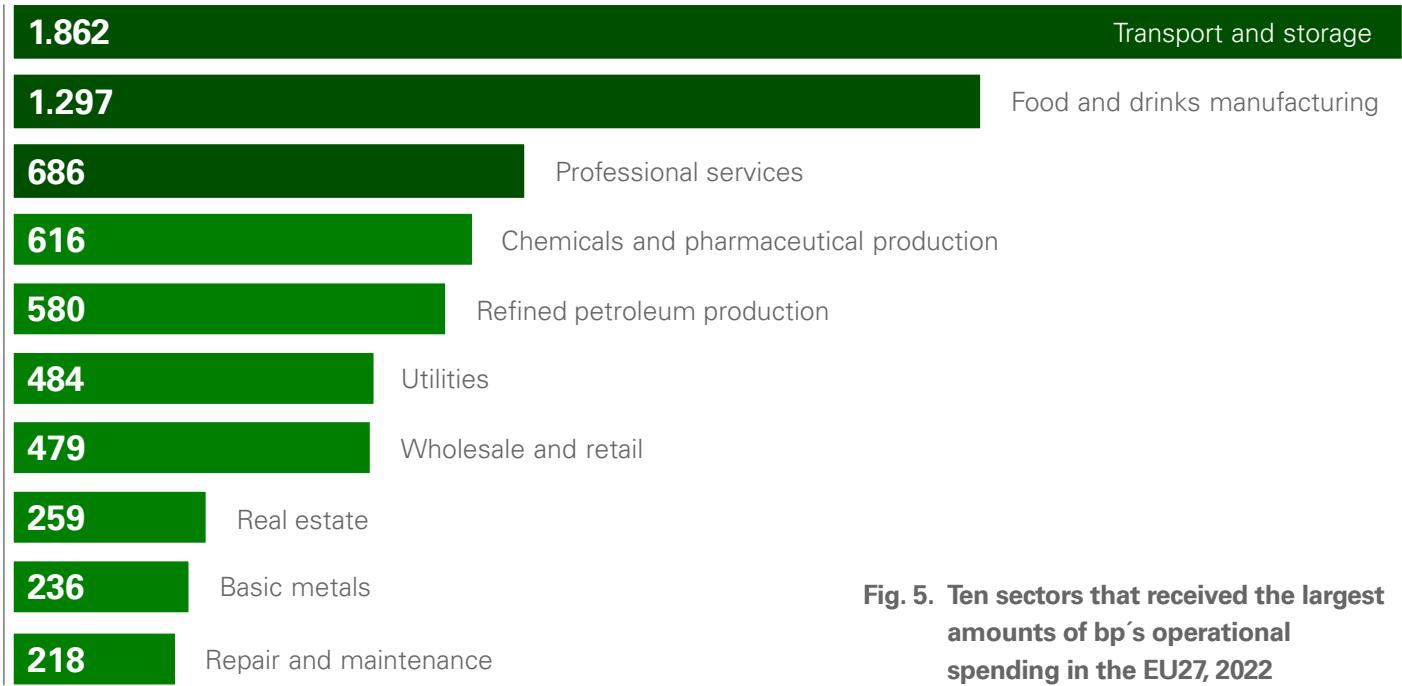


Fig. 5. Ten sectors that received the largest amounts of bp’s operational spending in the EU27, 2022

bp also supports a wide range of businesses through its capital expenditure

Capital spending by sector

- Suppliers in the professional business services sector (such as firms providing environmental consulting, engineering services, and architectural services) received bp capital expenditure worth **€386 million**, or 38% of bp’s total capital expenditure in the EU27.
- Construction companies (to build things like retail sites or offshore installations) were also significant beneficiaries of bp’s capital expenditure, receiving **€205 million** (20% of the total).
- Providers of maintenance and repairing services (which include plant maintenance services and laboratory services) received **€126 million** (12%).

Capital spending by country

Of the **€1,0 billion** in capital spending:

- German firms were the recipients of **€365 million** (35%).
- French suppliers got **€223 million** (22%).
- Businesses in the Netherlands accounted for **€192 million** (19%).

Capital spend (€ millions) 2022

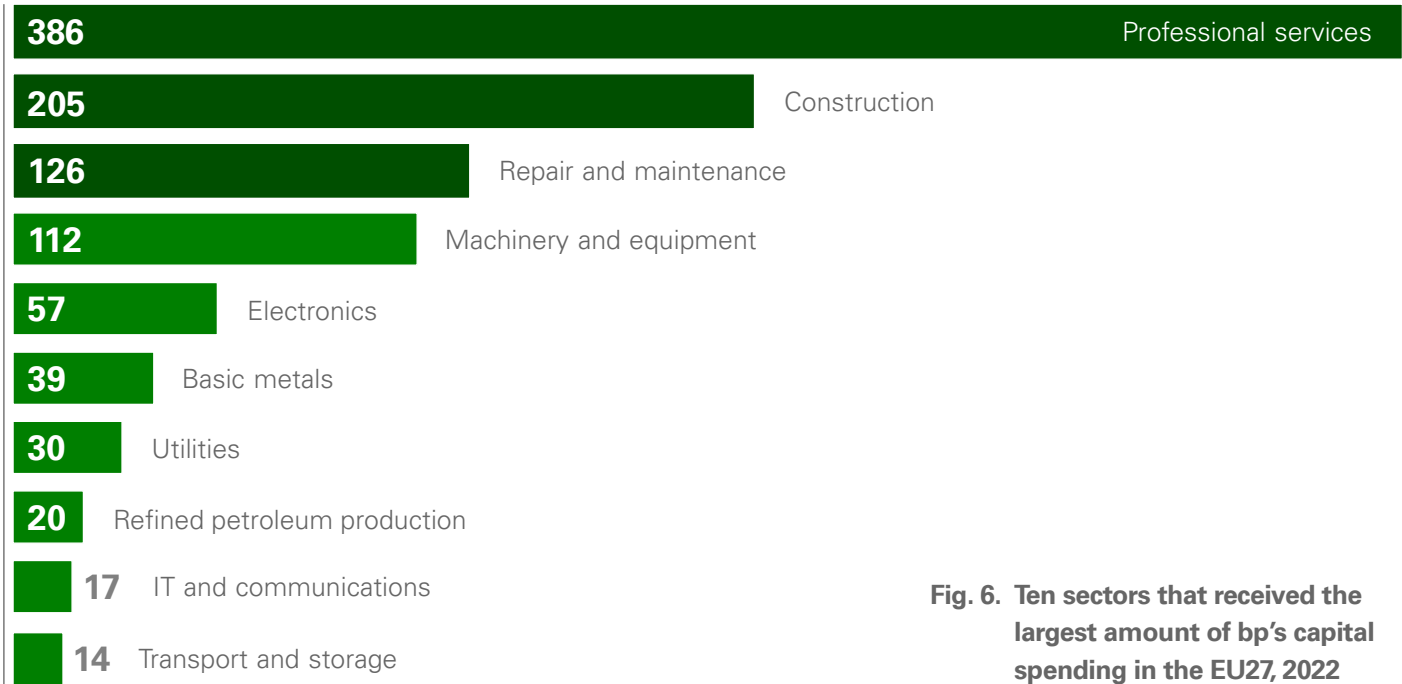


Fig. 6. Ten sectors that received the largest amount of bp’s capital spending in the EU27, 2022

bp's global spending provides a further boost to the EU27

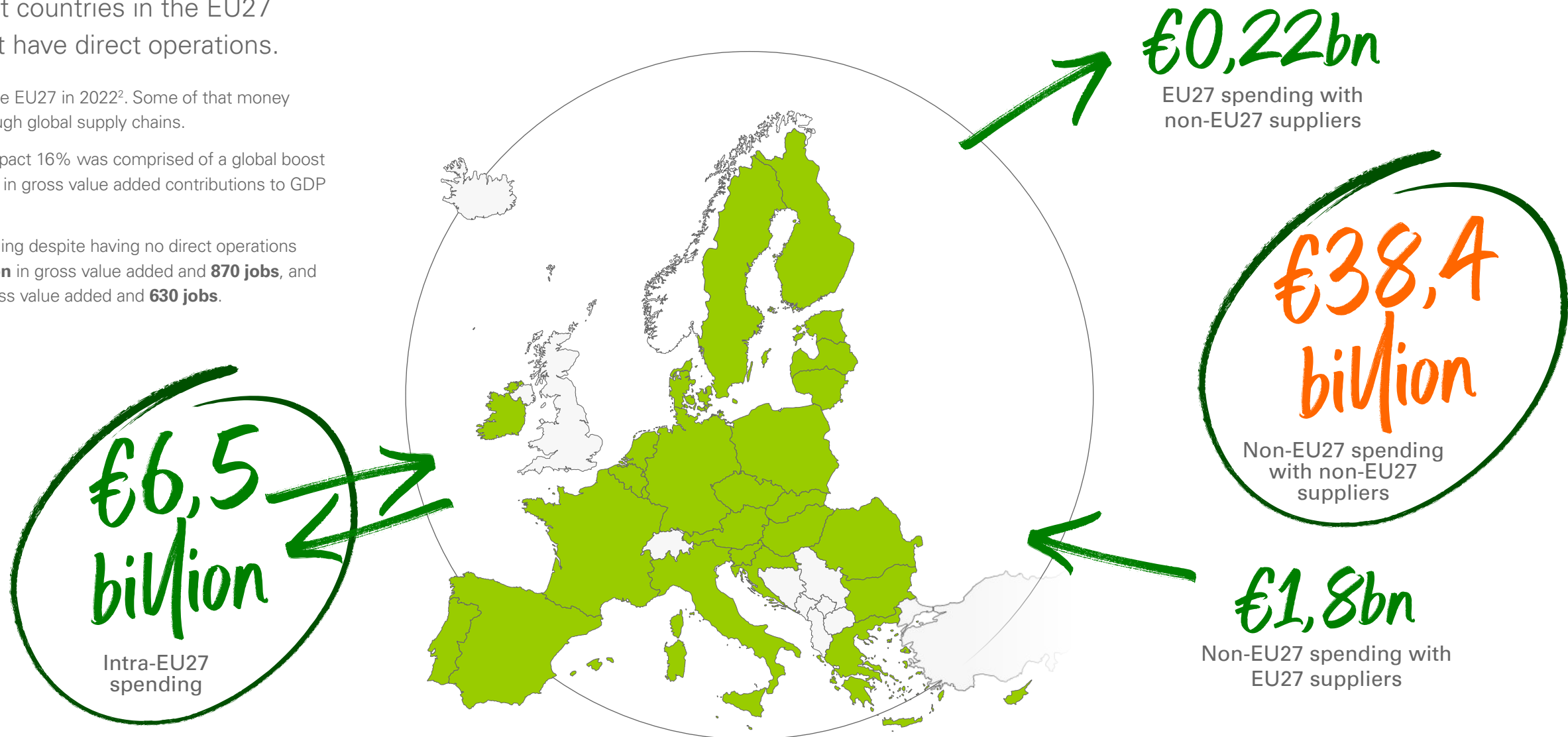
bp's global spending means that countries in the EU27 benefit even where bp does not have direct operations.

bp spent **€39 billion** with suppliers outside of the EU27 in 2022². Some of that money would have flowed back to EU27 countries through global supply chains.

Oxford Economics estimates that of the total impact 16% was comprised of a global boost to EU27 GDP and jobs, worth about **€1,2 billion** in gross value added contributions to GDP and an estimated **19.000 jobs**.

Countries that benefitted from bp's global spending despite having no direct operations include Ireland, where bp supported **€120 million** in gross value added and **870 jobs**, and Bulgaria where bp stimulated **€14 million** in gross value added and **630 jobs**.

Fig. 7. bp spending between EU27 and non-EU27 suppliers, 2022



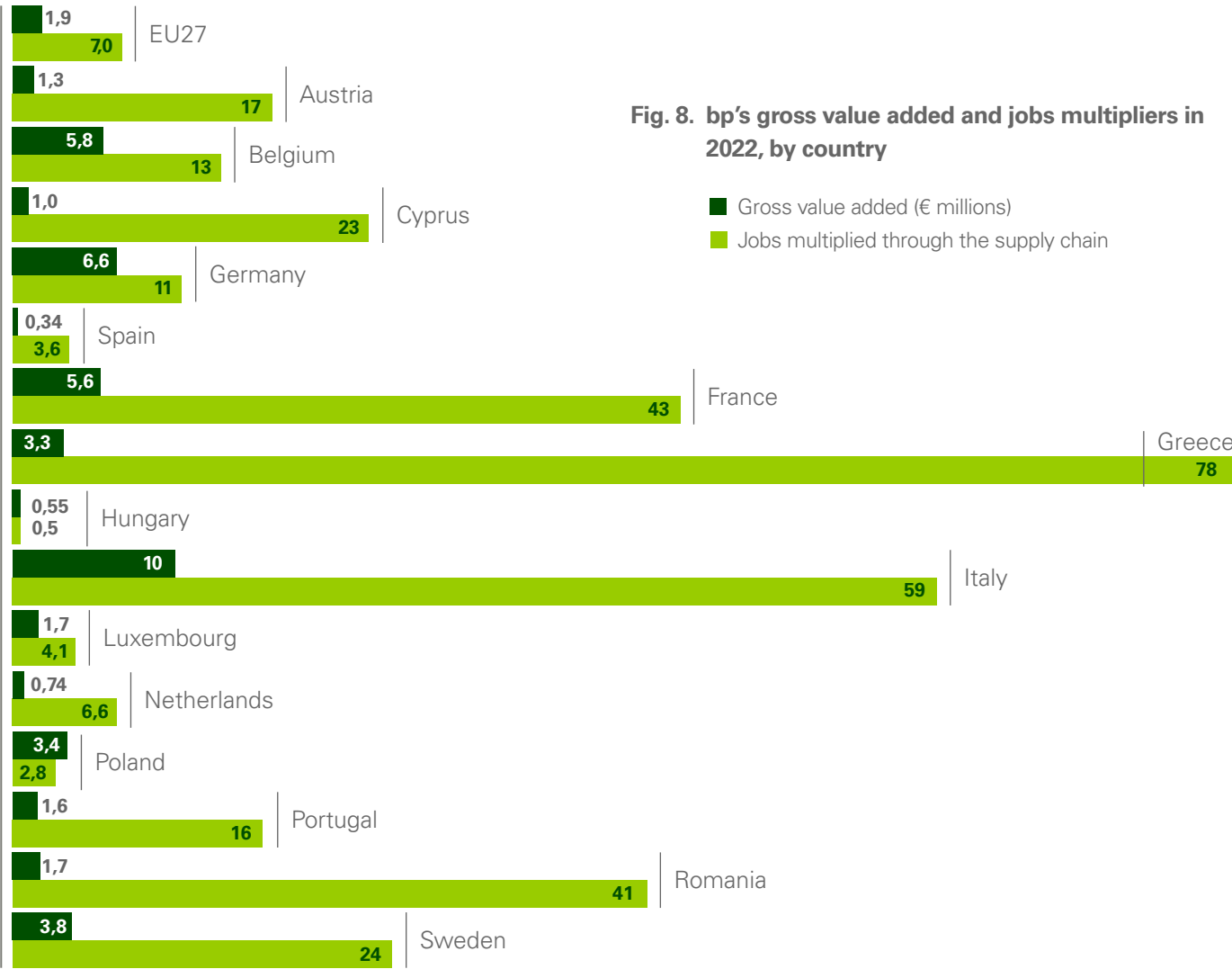
² This value is calculated using bp's procurement database where Oxford Economics used supplier's registered address.

Source: bp. Totals may not sum due to rounding.

bp has a multiplier effect in the EU

On average, for every job bp was directly responsible for in the EU27, bp supported a further **7,0** jobs through the supply chain.

Similarly, for every **€1 million** in gross value added that bp directly generated in the EU27, they stimulated another **€1,9 million** in gross value added contributions to GDP along the supply chain.



Source: Oxford Economics. **Note:** These are only presented for countries where bp's direct employment is greater than 20.

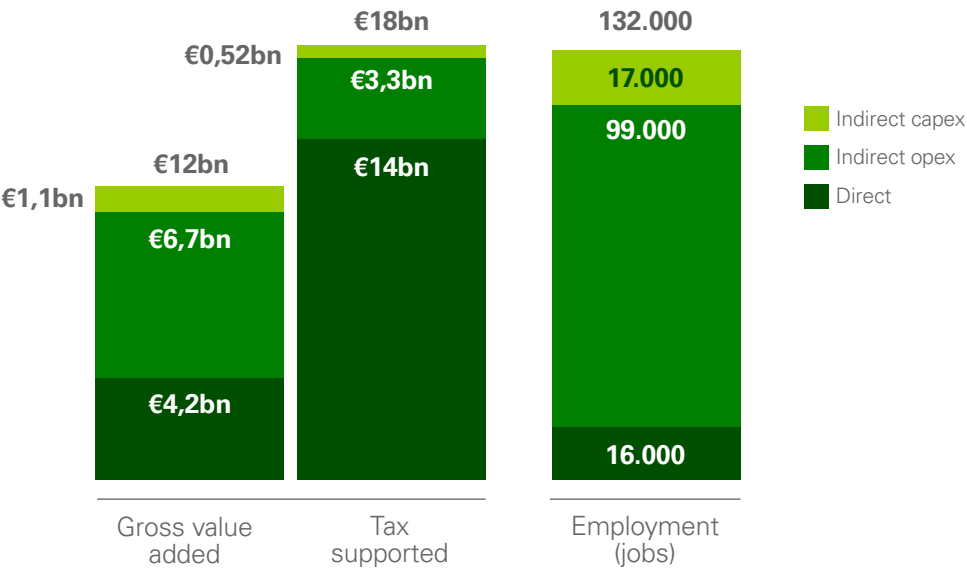
Total Impact – bp's total EU27 footprint

Considering the sum of bp's direct impact and supply chain impact, the total impact on the EU27 economy is sizeable.

Oxford Economics estimates that in 2022 bp supported:

- **€12 billion** gross value added contribution to European Union GDP, equivalent to one in every **€1.300** euros of the EU27's GDP³
- **132.000** jobs which is equivalent to one in every **1.500 jobs** in the EU27⁴
- **€18 billion** in government tax receipts which is similar to **0,24%** of EU's general government receipts and also, this is equivalent to one in every **€410** of tax paid in the EU27⁵

Fig. 9. Gross value added, employment, and tax supported by bp in the EU27, 2022



Source: Oxford Economics, bp. **Note:** Totals may not sum due to rounding.

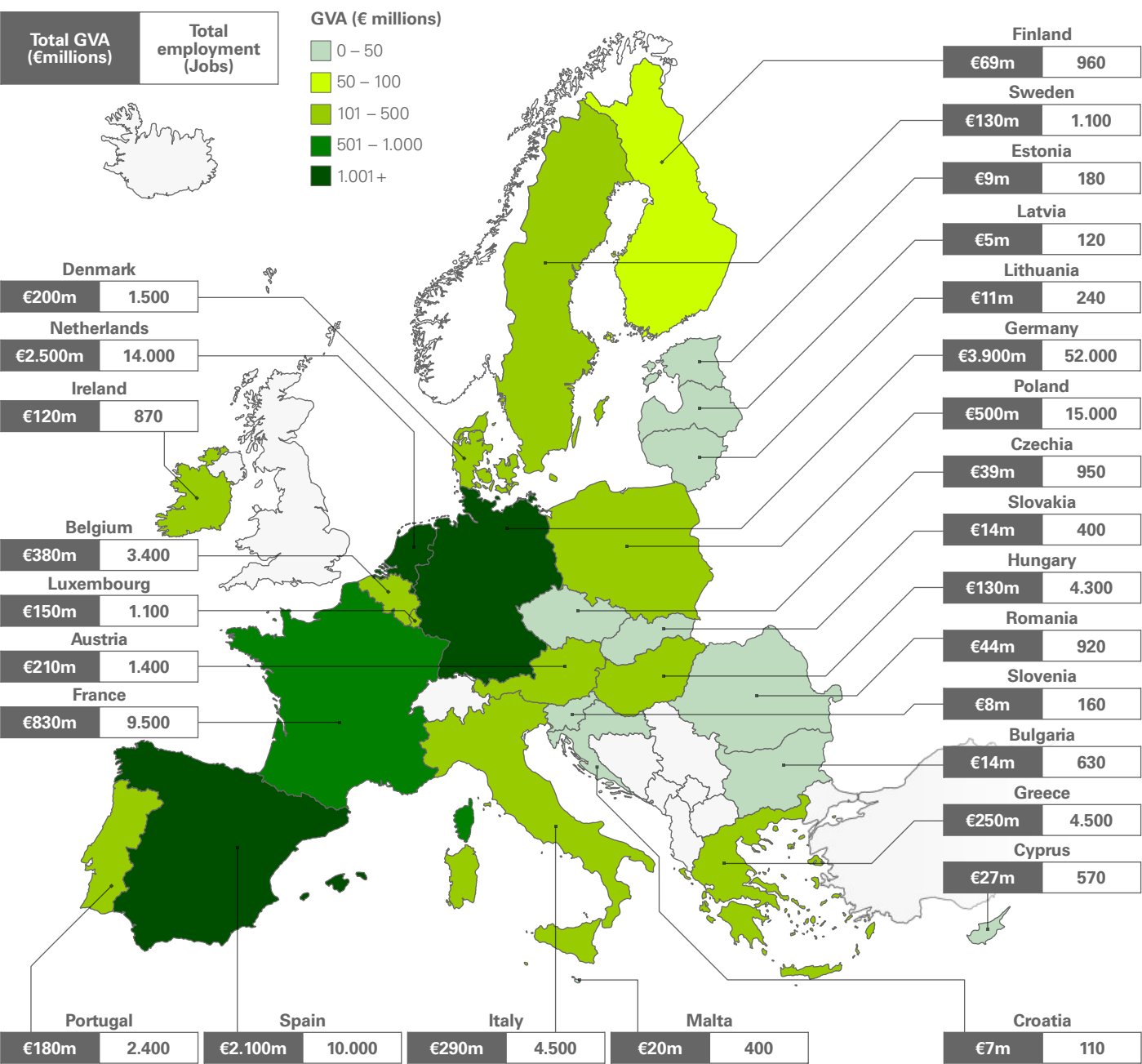
³ EU27's GDP was €15,8 trillion in 2022. Source: Eurostat. 2023. GDP and main components (output, expenditure and income). Code: NAMA_10_GDP Accessed from https://ec.europa.eu/eurostat/databrowser/view/NAMA_10_GDP_custom_6349320/default/table?lang=en [Data extracted on 26 May 2023].
⁴ EU27 employment – 197 million Eurostat. 2022. Employment and activity by sex and age- annual data. Code: LFSI_EMP_A. Data extracted on 17 July 2023.
⁵ EU27's total general government revenue was €73 trillion in 2022. Source: Eurostat. 2023. Government revenue, expenditure and main aggregates; code: GOV_10A. Eurostat Data Browser, data extracted 26 June 2023.

bp's total footprint across each of the EU27 countries

bp's direct impact, indirect impact, or both – including the extra boost from global spending – occurs in every one of the EU27 countries.

bp supported the greatest gross value added and employment impact in Germany (€3,9 billion in gross value added, as well as 52.000 jobs). A large amount of economic activity was also supported in the Netherlands (€2,5 billion in gross value added and 14.000 jobs). Meanwhile, bp supported €2,1 billion worth of gross value added in Spain and 15.000 jobs in Poland.

Fig. 10. bp's combined direct and indirect gross value added and employment impact in 2022



Source: Oxford Economics, bp. Note: Totals may not sum due to rounding.

bp is an important collector and payer of taxes to EU27 governments

Through its operations, bp also collects and pays a substantial amount of tax revenue to the EU27 governments.

bp paid and collected **€13,9 billion** in tax for EU27 governments in 2022. That was equivalent to **0,19%** of all EU27 general government revenue, or **€1 in every €530** of all EU27 general government revenue.

bp also stimulated tax contributions along the supply chain, estimated to be worth **€3,8 billion** in 2022.

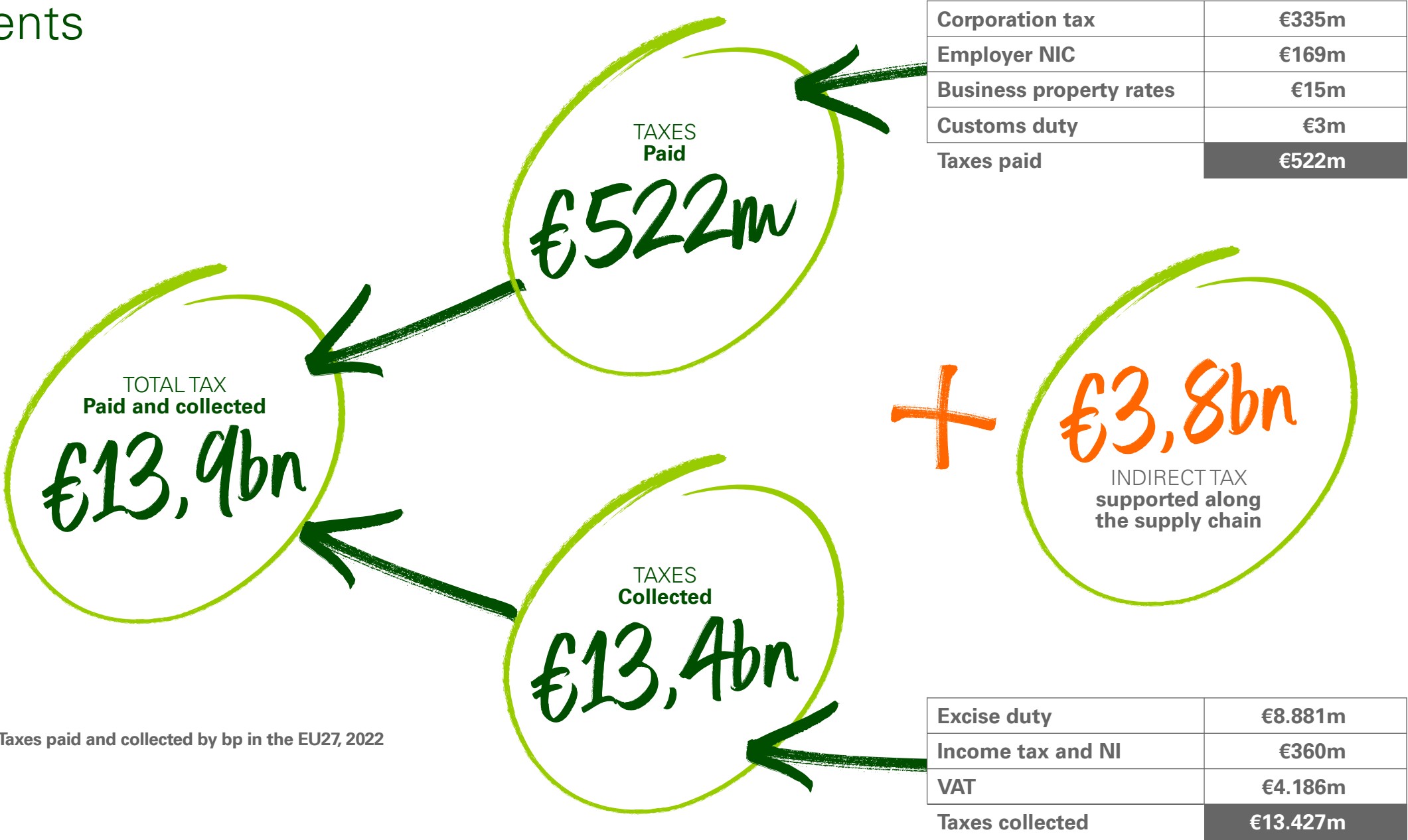


Fig. 11. Taxes paid and collected by bp in the EU27, 2022

Source: bp

Oxford Economics’ glossary

These terms are used throughout this report:

bp created/generated refers to metrics – such as gross value added, jobs, and tax – for which bp is directly responsible at its operational sites (direct impacts).

bp supported refers to metrics – such as gross value added, jobs and tax – that other businesses created because of bp’s expenditure. For example, because bp purchased inputs of goods and services from them (indirect impacts via operational spending or indirect impacts via capital expenditure).

Capital expenditure is spending on goods and services that bp uses up across multiple years, typically on buildings, machinery, and equipment.

Currency values, unless otherwise stated, are in Euros at 2022 prices and exchange rates.

Direct impacts are jobs, gross value added, and tax payments generated at bp’s operational sites across EU27 countries.

Employment or jobs is the number of people employed, regardless of whether their employment is full-time or part-time. It is measured on a headcount basis for comparability to national statistics.

Gross value added (GVA) is equal to the sum of compensation of employees, earnings before interest, taxes, depreciation, and amortisation (EBITDA), and

business rates. Summed up for all firms in an economy, and after minor adjustments for taxes and subsidies, gross value added is equal to GDP.

Gross domestic product (GDP) is the sum of all gross value added created across all entities, plus some adjustments for taxes and subsidies within an economy in a single year. GDP is the most common number economists and commentators use to measure the size of an economy and the rate at which it is growing.

Impacts in this report are positive economic benefits created or supported by bp.

Indirect impacts via operational spending are gross value added, jobs, and tax supported due to bp’s spending with its operational suppliers.

Indirect impacts via capital goods spending are gross value added, jobs, and tax supported due to bp’s spending with its capital goods suppliers.

Operational expenditure is spending on goods and services that will be used up in a single year.

Taxes are monetary payments to government. This includes corporate income taxes, labour taxes, employees and employers’ social contributions, taxes on products (e.g., excise duties) and taxes on production (e.g., business rates).

Oxford Economics’ methodology

Oxford Economics’ methodology
PDF is available online at bp.com.

Acknowledgement

bp would like to thank its partners in the production of this publication.

Disclaimer

Pages 4 to 25 inclusive (EU27 Economic Impact Report) of this publication have been written by Oxford Economics. Oxford Economics’ methodology can be accessed via the link included on this page. bp has not endorsed or verified the EU27 Economic Impact Report and assumes no obligation to update, revise or supplement the EU27 Economic Impact Report or any of its contents. No warranty or representation is made regarding the accuracy, completeness or validity of the information contained in the EU27 Economic Impact Report. Neither bp plc nor any of its subsidiaries (nor their respective officers, employees and agents) accepts any liability whatsoever for any loss or damage arising from reliance on or actions taken based on, any of the information set out in this publication.

Cautionary statement

In order to utilize the ‘safe harbor’ provisions of the United States Private Securities Litigation Reform Act of 1995 (the ‘PSLRA’) and the general doctrine of cautionary statements, bp is providing the following cautionary statement. This publication contains certain forecasts, projections and forward-looking statements – that is, statements related to future, not past events and circumstances – with respect to 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’, ‘targets’, ‘aims’, ‘should’, ‘may’, ‘objective’, ‘is likely to’, ‘intends’, ‘believes’, ‘anticipates’, ‘plans’, ‘we see’ or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of bp. Actual results or outcomes, may differ materially from those expressed in such statements, depending on a variety of factors, including the risk factors discussed under “Risk factors” in bp’s most recent Annual Report and Form 20-F as filed with the US Securities and Exchange Commission 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.

A note about this publication

Unless otherwise stated or the context otherwise requires, the term ‘bp’ and terms such as ‘we’, ‘us’ and ‘our’ are used in this publication for convenience to refer to one or more of the members of the bp group instead of identifying a particular entity or entities. bp p.l.c. and each of its subsidiaries are separate legal entities.

Figures in this report may not sum due to rounding.

