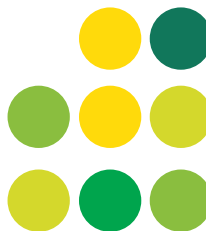
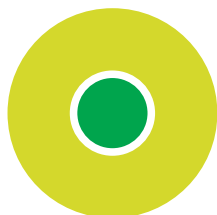
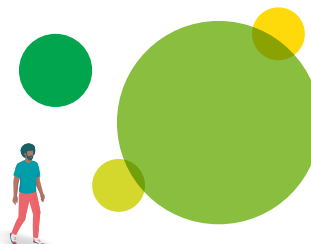
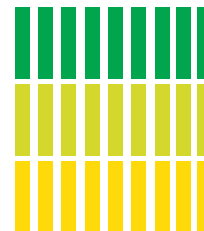
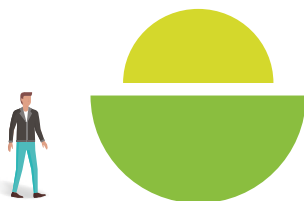


bp's impact on the UK economy in 2019

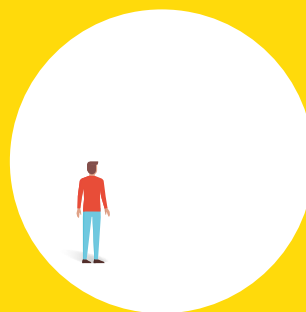


OXFORD
ECONOMICS

2020 update based on research and analysis by Oxford Economics

Contents

- 1** Foreword from Peter Mather
- 2** 2019 economic impact highlights
- 4** Channels through which bp contributes to the UK economy
- 4** bp's impact on the UK economy by sector
- 5** bp's impact on the UK's regional economy
- 11** bp's suppliers
- 12** Case studies
- 18** bp's ongoing social contribution to the UK
- 20** Methodology
- 20** Contacts, links and further information



bp's impact on the UK economy in 2019

Foreword from Peter Mather, UK head of country for bp

This is the sixth update of the original report by Oxford Economics, **bp's impact on the UK economy, September 2015**.

This summary reflects the economic contribution for the calendar year 2019 and can be read alongside the previous reports for a year-on-year comparison. It highlights the consistency of bp's contribution to the UK economy since 2014.

Much has changed in the world since the start of 2020, including the impact of the COVID-19 pandemic on UK society, and what we see as a structural change in the demand for energy and how it is produced. As a result, I expect to see bp's UK economic impact change in the future, with this 2019 report likely to mark the end of the previous era.

We are changing profoundly as a company to meet societal expectations. You can find more information on bp's new purpose – **reimagining energy for people and our planet** – and how we will deliver on our ambition to be a **net zero company by 2050 or sooner**, at bp.com/reimagine.

bp's impact has remained consistently strong over time

bp's overall UK economic impact in 2019 was in line with its average for the period 2014-19 and 7% higher overall since 2014.


Between 2014 and 2019, bp has supported a wide and diverse range of UK suppliers, generating an average annual contribution of:

- **£9.9 billion to UK GDP**
- **122,000 jobs.**

The **productivity** of employees through bp's direct and indirect activity in the UK economy **increased by 57%** over that period.

In that time, bp has purchased from an average of **3,000 suppliers of operational goods and services**. This has increased by over 70% in areas such as the North East. An average of **800 suppliers of capital goods and services** has been supported by bp in the same period, with the largest increase being nearly 240% in the West Midlands.

The contribution to UK taxes has remained consistent too, with bp directly bearing or collecting an average of **£2.7 billion in tax receipts** to the Exchequer each year – around £1 in every £200 overall.



Peter Mather

2019

economic impact highlights

- bp supported an estimated **£9.7 billion** gross value added contribution to the UK's gross domestic product (GDP) and **90,100 UK jobs** in 2019.
- Of this total, bp's direct UK operations – such as oil and gas fields, petrochemical plants, fuels retailing facilities and major offices – created a **£4.2 billion** gross value added contribution to UK GDP and employed **15,780 people**.
 - Equivalent to **£1 for every £474** of UK GDP in 2019.
- bp spent a total of **£7.1 billion** with UK suppliers, up from £6.4 billion in 2019:
 - **£5.2 billion** on operational goods and services from **2,520 suppliers**, supporting an estimated **£3.9 billion** indirect contribution to GDP and **56,000 jobs**.
 - **£1.9 billion** spent on capital goods from **580 suppliers**, supporting an estimated **£1.6 billion** gross value added contribution to GDP and **18,000 jobs**.
- bp's direct and supply chain expenditures with UK suppliers are estimated to have supported **1 in every 364 jobs** in the UK in 2019, or **0.27% of all employment** in the country.
- **bp ventures** increased its investment to a total of over **£70 million in 13 businesses** across the UK.
- Around **half of bp's global R&D expenditure** in 2019 was on work conducted in the UK.
- In 2019, bp paid or collected nearly **£2.5 billion in UK taxes**. That is equivalent to **0.4% of all taxes and revenues collected by HMRC in 2019**.

£9.7bn

contribution made to UK GDP



bp paid over
£1.8bn
in dividends to UK-based
shareholders



£1.2bn

spent with UK-registered
businesses operating
overseas



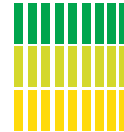
90,100

jobs supported by bp, one in every 364 in the UK



0.5%

of UK GDP supported by bp's activity



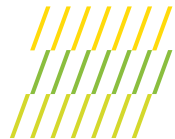
£7.1bn

spent with UK suppliers



1968

bp has been working with UK schools since 1968



2,520

UK suppliers of good and services



£5.2bn

spent on operational goods and services from UK suppliers



1966

bp has supported world-class arts and culture in the UK since 1966



580

UK suppliers for capital expenditure

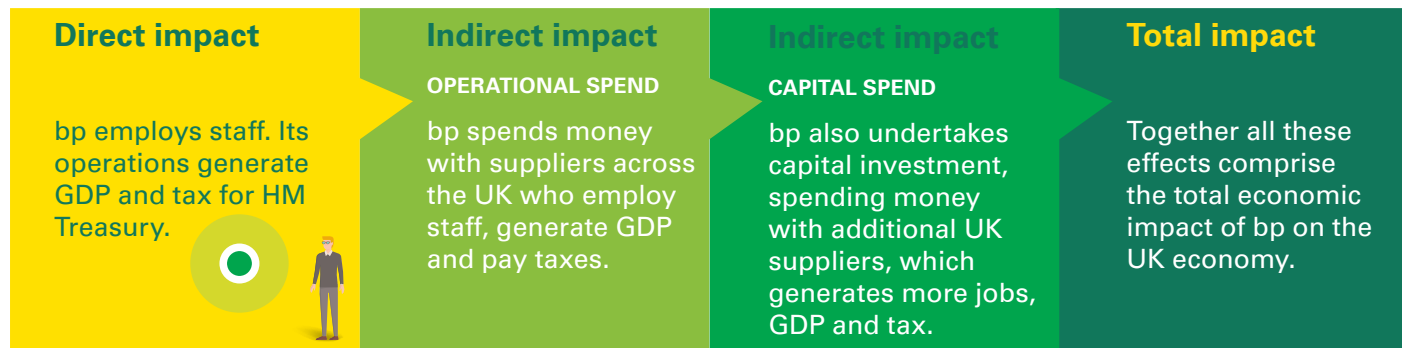


£1.9bn

spent on capital goods from UK suppliers

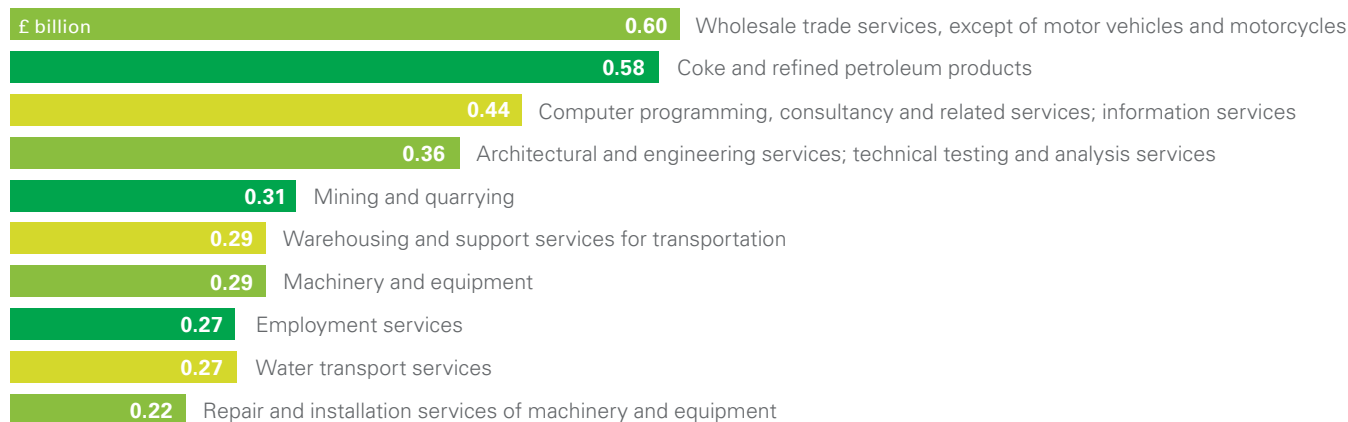


Channels through which bp contributes to the UK economy



bp's impact on the UK economy by sector

Ten UK industrial sectors receiving the largest amount of bp's UK operational procurement spend in 2019



Source: Oxford Economics

bp's impact on the UK's regional economy

Procurement impact and supplier diversification

bp's **2,520 UK suppliers of goods and services** in 2019 are distributed throughout the UK, receiving a total of over **£5.2 billion**.

Some 27% of them were located in London, 21% in the South East, 11% in Scotland and 10% in the East of England.

In 2019, bp spent **£1.9 billion on capital goods from around 580 UK suppliers**. Of these, 23% were in Scotland, 20% were in London and another 18% were in the South East.

In addition, around **£1.2 billion** was spent by bp with **UK-registered businesses operating abroad**.

bp spending (£ million)



Source: bp, based on invoice location



bp's impact on the UK's regional economy



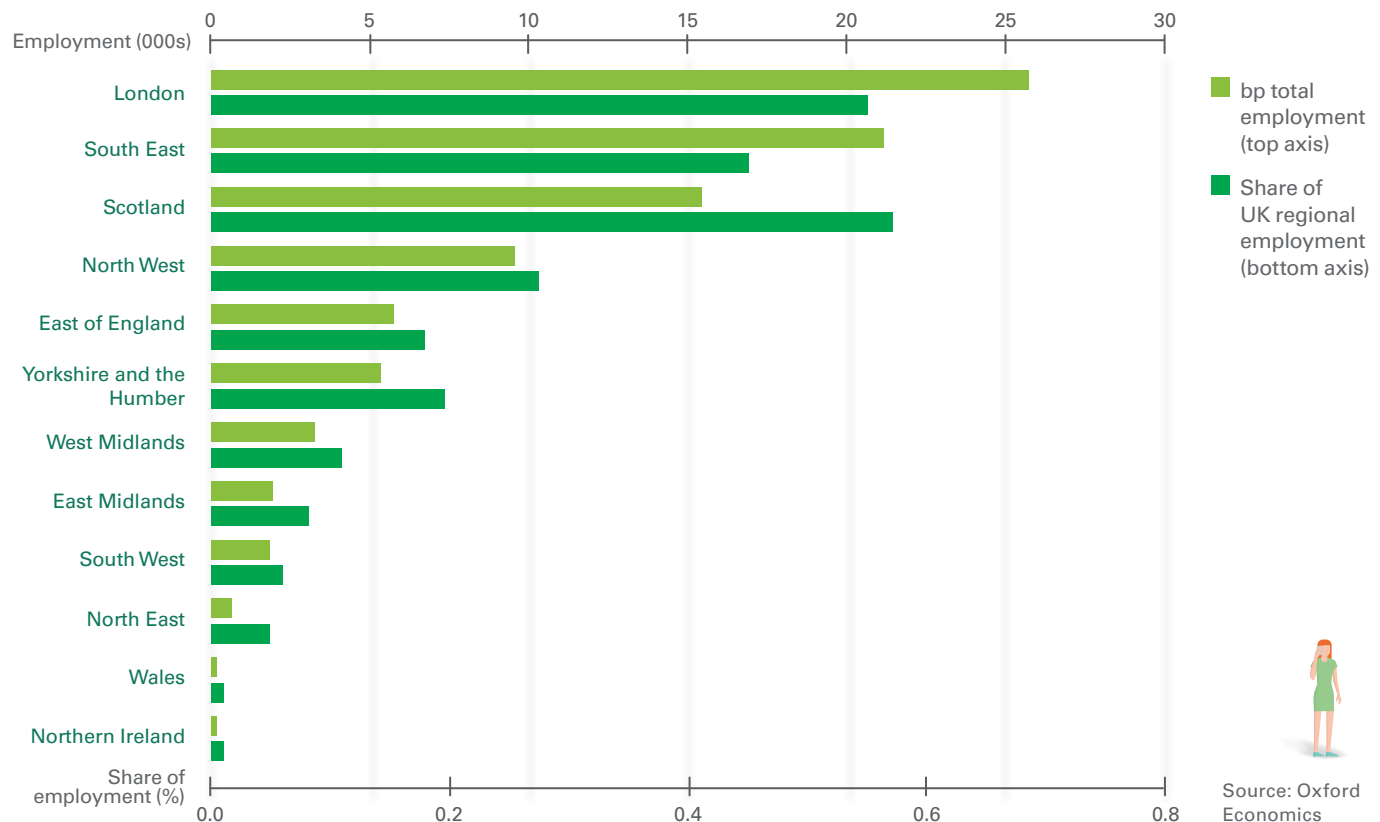
Employment impact

90,100 British jobs were supported by bp in 2019, with direct UK operations – such as oil and gas fields, petrochemical plants, fuels retailing facilities and major offices – creating **£4.2 billion** gross value added contribution to UK GDP and employing **15,780** people. This is

equivalent to **£1 for every £474** of UK GDP in 2019.

The indirect impact of bp procurement of goods and services and capital expenditure supported an estimated additional **74,315** people in the wider UK economy.

Overall, London, the South East and Scotland were the biggest jobs beneficiaries from bp's direct and indirect impacts. bp supported employment equivalent to 0.6% of all employment in Scotland and around 0.5% in London and the South East.



Source: Oxford Economics



bp's impact on the UK's regional economy



Total UK direct gross value added

£4,176m

15,780 people directly employed
74,315 indirect jobs supported



Rest of UK

£417m

1,574 people directly employed
15,518 indirect jobs supported

London

£820m

3,100 people directly employed
22,539 indirect jobs supported

Yorkshire and the Humber

£135m

510 people directly employed
4,755 indirect jobs supported



Scotland

£571m

2,157 people directly employed
13,200 indirect jobs supported



East of England

£366m

1,383 people directly employed
4,284 indirect jobs supported



South East

£1,867m

7,056 people directly employed
14,017 indirect jobs supported



bp's operating locations

Assets key

▲ Shetland and Central North Sea hubs

● Field tieback

● Operated by others

Pipeline key

— Oil

— Natural gas

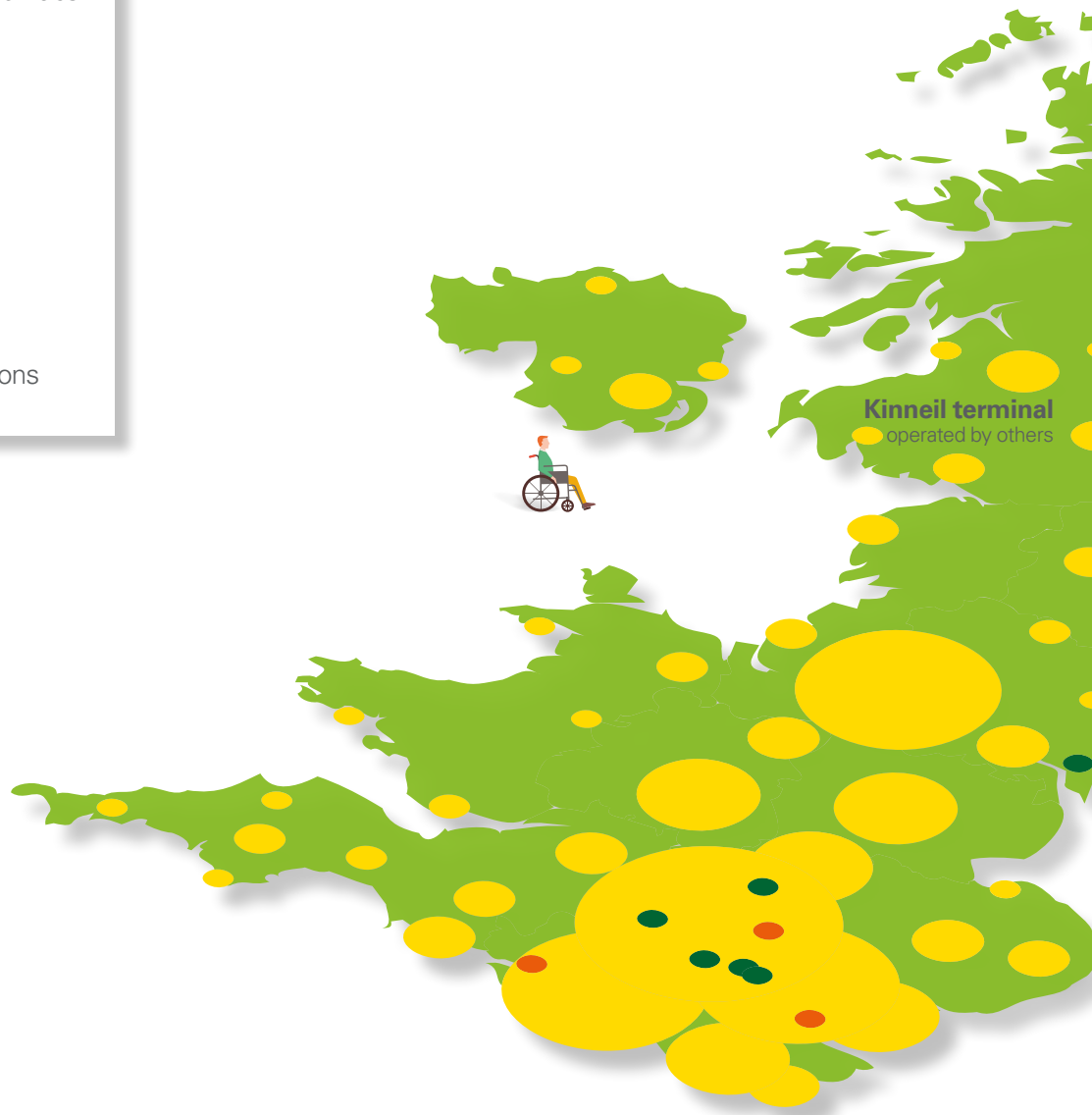
— Operated by others

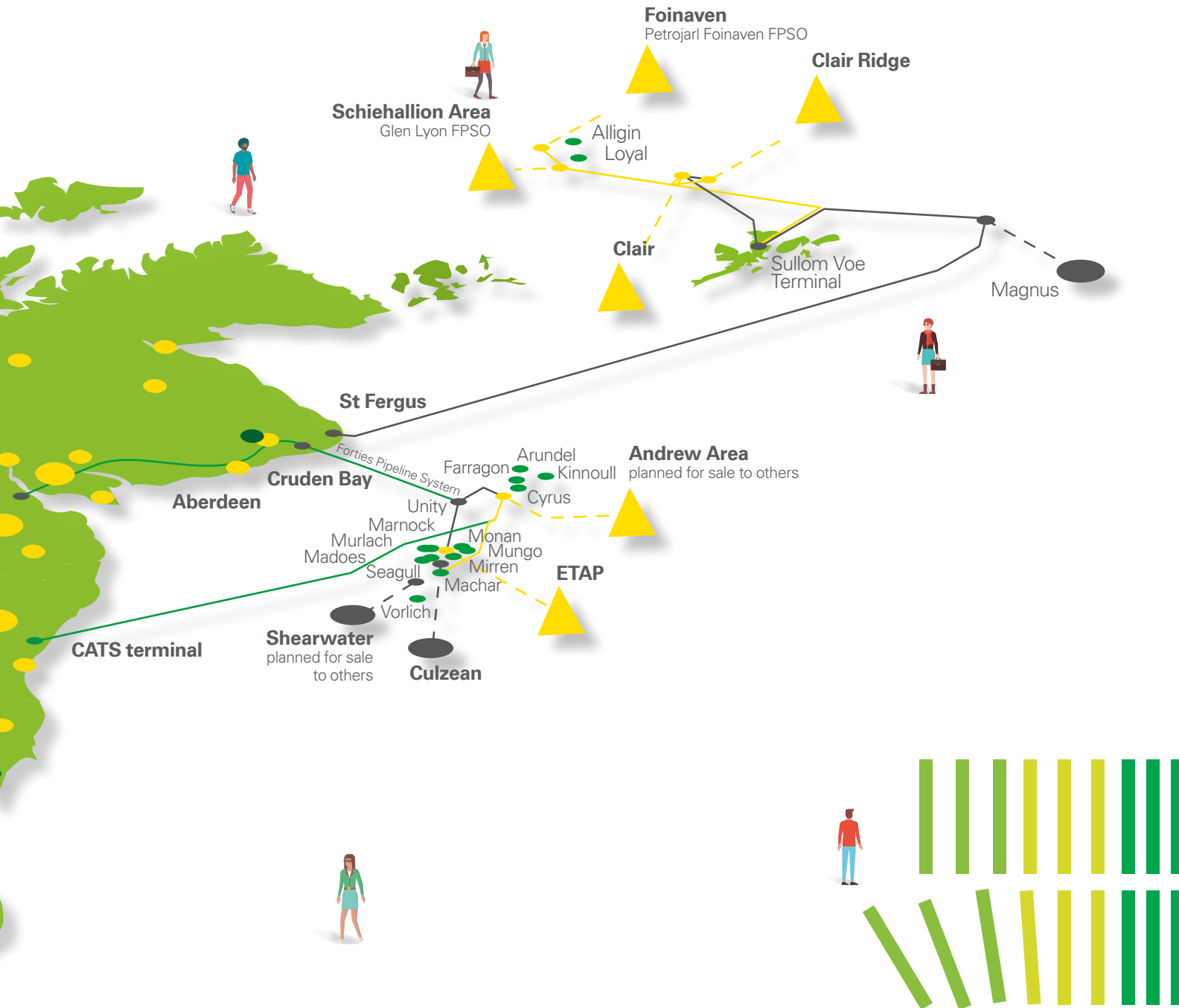
Map key

● Density of retail sites

● Supply terminals

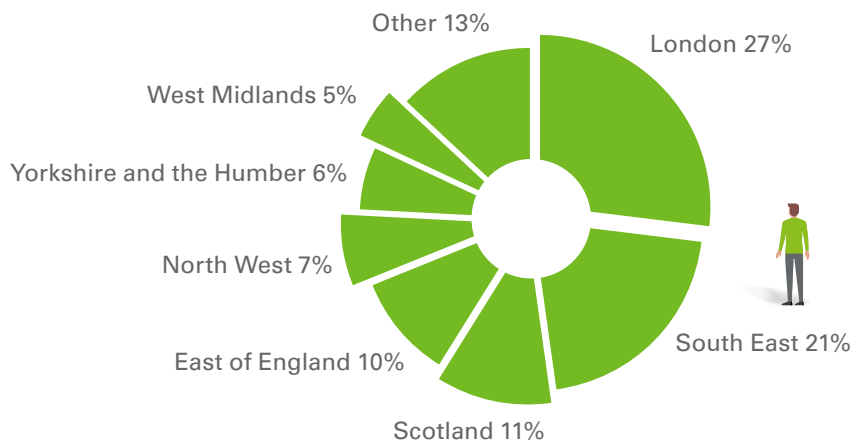
● Office & manufacturing locations



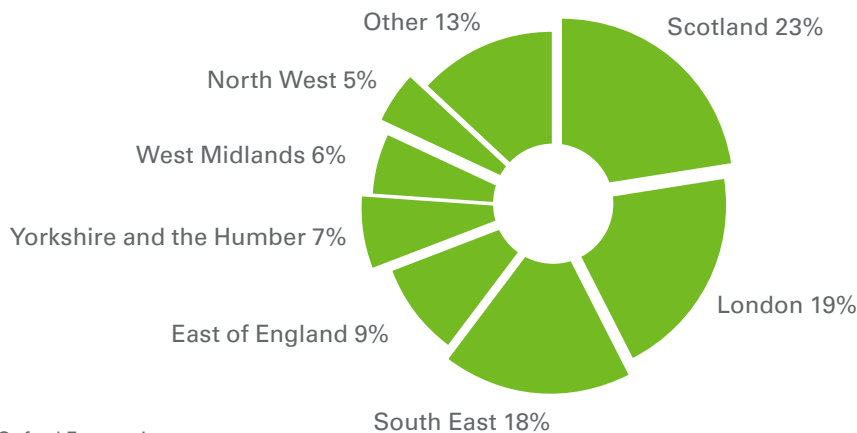


bp's impact on the UK's regional economy

Estimated geographic distribution of bp's 2,520 UK suppliers of operational goods and services in 2019



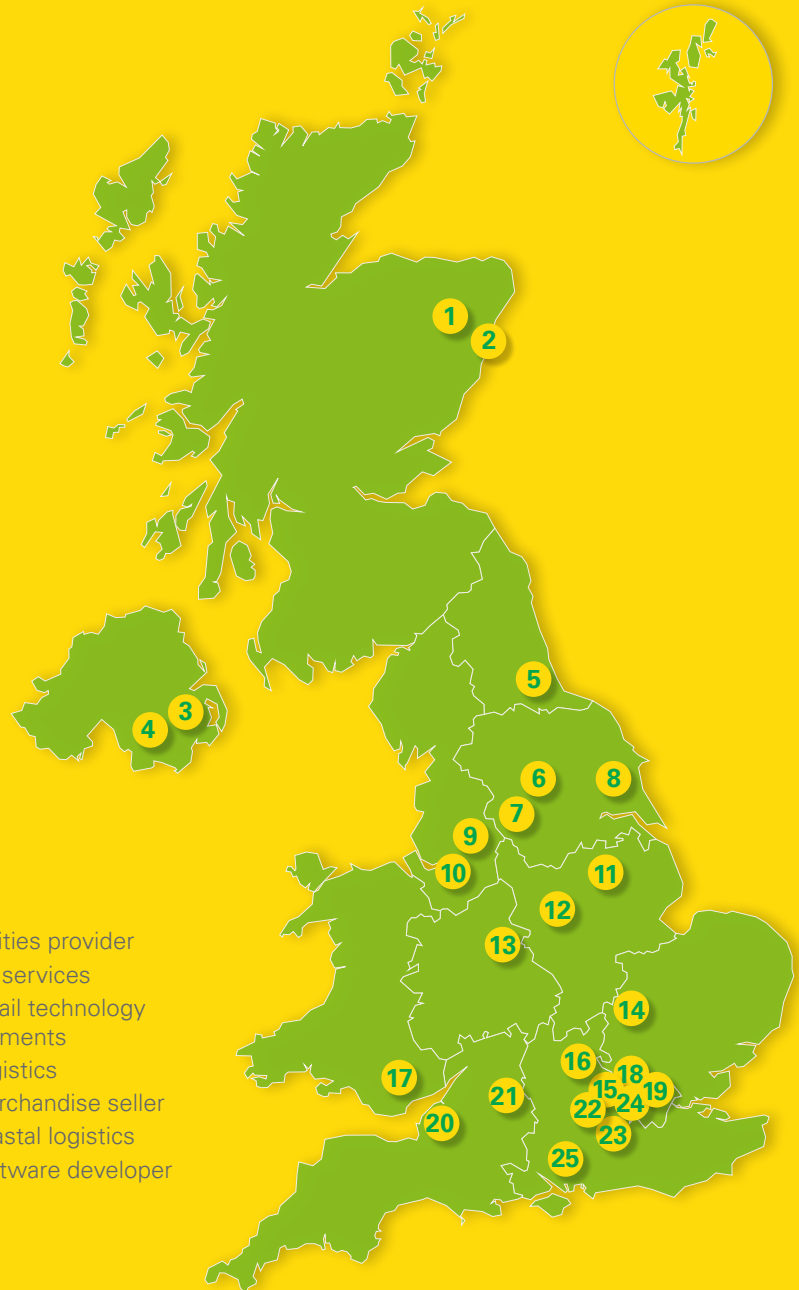
Estimated geographic distribution of bp's 580 UK suppliers of capital goods and services in 2019



Source: Oxford Economics

bp's suppliers

From a drilling service provider in Scotland, to financial services in Northern Ireland, an estate agency in the North East, air logistics from the East Midlands, food services from Wales, and software developers in the South East, bp supported a wide and diverse range of business types.



- | | | |
|---|------------------------------------|-------------------------------|
| 1 Drilling service provider | 9 Food retailer | 19 Utilities provider |
| 2 Upstream production operations | 10 Chemical processor | 20 HR services |
| 3 Consumables | 11 Rotating equipment manufacturer | 21 Retail technology payments |
| 4 Finance services | 12 Air logistics | 22 Logistics |
| 5 Estate agency | 13 Equipment manufacturer | 23 Merchandise seller |
| 6 Facilities engineering and construction | 14 Warehouse logistics | 24 Coastal logistics |
| 7 Well equipment provider | 15 Subsea operator | 25 Software developer |
| 8 Chemical feedstock provider | 16 Industrial gas manufacturer | |
| | 17 Food services | |
| | 18 IT specialist | |

case studies bp's suppliers

OneSubsea \$120m in 2019, based in Leeds

"Our long-standing working relationship continues to deliver agile subsea solutions. Collaboration and trust are key to the culture and performance of our respective teams."

Don Sweet, Director – Production Systems Subsea, Schlumberger

OneSubsea, a Schlumberger company, has worked closely with bp and its regional partners for several years, providing subsea production technology for energy projects worldwide.

The collaboration between bp and OneSubsea has evolved from equipment supply to system solutions, with development teams working together to develop and deliver safe, sustainable, and successful projects. Engagement among the companies begins with early concept engineering, continues through the tendering phases, and into project execution.

The OneSubsea UK teams have provided international support to bp in Egypt on the Giza, Fayoum & Raven assets as well as engineering and services to the Shah Deniz Phase 2 project in the Caspian. Additionally, OneSubsea has supported bp regional partner the Pharaonic Petroleum Company (PhPC) on the Atoll & Qattameya fields. Most recently, OneSubsea worked with bp in 2019 to deliver subsea production equipment on the Quad 204 and the Alligin projects, both located in the West of Shetland region in the UK.

bp activity supported by OneSubsea amounts to approximately 300 jobs in the UK, as well as hundreds of others through the extended supply chain.

onesubsea.slb.com



Above top: Subsea tree for Quad 204 undergoing System Integration Test (SIT) at OneSubsea Aberdeen facility.

Above: bp Quad XT23 delivered by OneSubsea Aberdeen.



Stagestruck \$2m in 2019, based in Hertfordshire

"Stagestruck has been creating engaging and effective world-class events, experiences and communications for blue-chip brands since 1984. And we've enjoyed working with bp for 20 of those years."

"In 2019, we designed, managed and delivered over 40 projects for bp, built around our full-time team of 86. These included the AGM; global leadership events; the bp Helios Awards; training events; as well as the design, build and delivery of a

number of exhibitions and political conferences, communications programmes and marketing events around the world. In total, this was around £2m of work for the team of 3D designers, producers, graphic designers, sound engineers, lighting designers, showcallers, digital designers, communications strategists, developers, project managers, logistics managers, carpenters, and more."

Paul Finch, chief production officer

stagestruck.com

STAGESTRUCK

EXPERIENCES | EVENTS | COMMUNICATIONS



Clockwise from top left:
Engagement stand for party conference in Manchester.

Main set for bp Helios awards, London.

Exhibition and reception area, bp Helios awards, London.

case studies

bp investments in other organizations

TechX

bp has been partnering with the TechX Pioneer Programme since 2017. This is a unique technology accelerator and incubator based at the Oil & Gas Technology Centre (OGTC) in Aberdeen that helps ambitious start-ups take their solutions to the energy market faster.



To date, 21 companies have graduated from the award-winning programme, developing ground-breaking technologies including a lab-on-a-chip (RAB Microfluidics), machine learning seismic imaging software (Optic Earth) and a complete oil field well surveillance technology (AI Exploration).

In just two years, £2.8 million has been co-invested into these pioneering companies with a further £1 million of additional investment being secured post-graduation from the programme. Collectively, three field trials have been completed with seven planned over the next year and another 10 on the horizon, while 13 new jobs have been created and two new facilities have been opened.

theogtc.com/techx



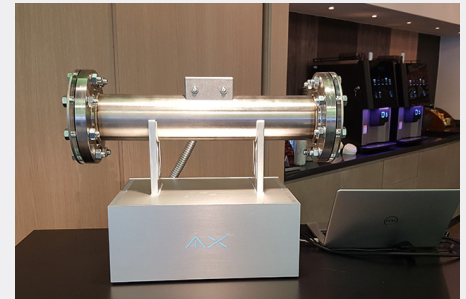
Above: AI Exploration founders receiving the bp TechX Technology Award at TechX Demo Day.

AI Exploration

This Aberdeen-based company aims to digitalize the oil and gas industry by delivering impactful, real-time production optimization and oil-field diagnostics powered by artificial intelligence software. Their technologies help increase process efficiency and cost savings, which will play an important part in the energy transition.

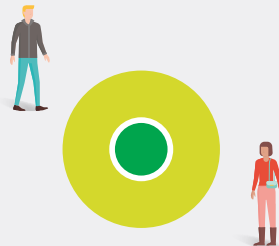
In 2019, AI Exploration received the **bp TechX Technology Award** of £80,000 to continue to support its technology development. Since then, bp ventures has provided pre-equity financing and has started to work with AI Exploration in the North Sea business on projects including analyzing the carbon footprint of trips offshore to allow the business to make better planning decisions that support bp's net zero ambitions.

ai-exploration.com



Above top: AI Exploration flow loop facility in Aberdeen.

Above: AI Exploration multiphase measurement spool.



case studies

bp investments in other organizations

Launchpad

Launchpad was set up by bp in late 2018 to turn breakthrough technologies and business models from inside and outside of bp into high potential businesses.



Launchpad is focused on scaling new businesses through bp's unique advantages to help deliver cleaner, more affordable and reliable energy.

There are currently four growth businesses in the portfolio:



LYTT

lytt.com

LYTT is enabling the move to predictive analytics within upstream oil and gas using real-time subsurface data. LYTT builds world-leading analytics for data-driven decisions using fibre optic data.



Onyx InSight

onyxinsight.com

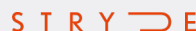
A leader in predictive analytics for the wind sector. bp sees huge potential in building a world-class predictive analytics platform serving the growing wind market, including bp's own wind business, the largest in the US.



STRYDE

strydefurther.com

A technology company developing ground-breaking land seismic receiver systems that help reduce cost, environmental impact and safety risks without compromising data quality. STRYDE is now rapidly scaling up, offering commercial applications for use in a host of sectors, including hydrocarbons, renewables, geothermal and civil engineering.



Fotech

fotech.com

An innovative technology company focused on developing and deploying advanced fibre optic sensing hardware targeting the smart cities, security and oil and gas sectors. Launchpad acquired the business in late 2019 but bp ventures had been an investor since 2013.



bp Chargemaster

bp Chargemaster marked its first full year under bp ownership in 2019, and experienced impressive growth across the board, with turnover increasing by more than 25% from 2018.

It strengthened its position as the leading public charging operator in the UK, powering up to 1.5 million electric miles a week, and installing over 120 new rapid and ultra-fast chargers, as well as inaugurating the country's largest universal rapid charging hub and the first ultra-fast charging hub in London.

The company launched its UK-made smart homecharge unit, giving electric vehicle drivers more control over their charging, and unveiled its new 150kW charger, the first two of which have been installed at its new head office in Milton Keynes.

It also signed a major deal with Mitchells & Butlers to install 200 rapid chargers at its pubs and restaurants. Its rollout of 150kW ultra-fast chargers on bp forecourts began in the autumn, with the first four sites going live within four months.

The Electric Vehicle Experience Centre, operated by bp Chargemaster for Milton Keynes council, welcomed its 100,000th visitor since it opened in the summer of 2017 as the country's only multi-brand EV education and test-drive facility.

bpchargemaster.com



Above top: bp Chargemaster rapid-charging hub at Milton Keynes Coachway (8 x 50kW).

Above: bp Chargemaster ultra-fast forecourt charging at bp Cranford (2 x 150kW).



bp's ongoing social contribution to the UK

Committed to UK arts, culture, sport and education

bp continued to demonstrate a consistent commitment to UK communities through its support for schools, arts and culture, sport, community organizations and charities.

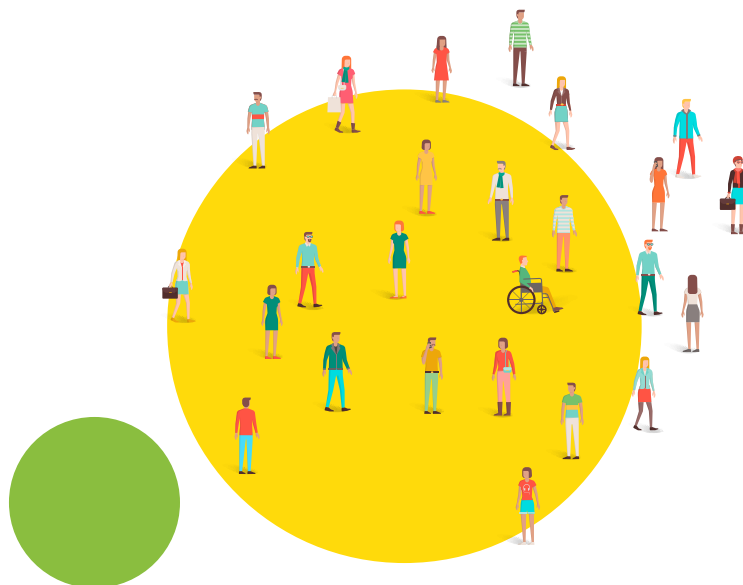
Building on the Enterprising Science educational research programme to understand how and why young people choose to study STEM subjects, bp continued its relationship with the Science Museum Group as the founding partner of its Academy of science engagement across the UK.

2019 marked the 30th anniversary of bp's support for the BP Portrait Award at the National Portrait Gallery – the most prestigious portrait painting competition in the world. bp also announced £1 million of funding in support of the redevelopment of Aberdeen Art Gallery.

Following pressure from activist groups, the Royal Shakespeare Company (RSC) took the decision to end its partnership with bp at the end of 2019. Since 2011, bp's support for the £5 ticket scheme had enabled 80,000 tickets to be used by young people aged between 16 and 25 to experience the RSC's performances.

Over the five-year period from 2015-19, around 7 million people engaged with a bp-supported cultural activity.

bp continued its support for the British Paralympic Association (BPA), helping it to prepare ParalympicsGB athletes to compete at five Paralympic Games and working to inspire a better world for disabled people through sport.





Creating value in local communities

bp's UK employees volunteered **51,600 hours** and generated over **£3.4 million** of contributions to community organizations during 2019.



Above left to right:
BP Portrait Award 2019 installation at the National Portrait Gallery in London.

bp Young Scientist Day, Sunbury-on-Thames.

This row left to right:
Family exploring bp's alternative energy model at New Scientist Live in London.

Girl wearing VR headset during the bp Ultimate STEM Challenge final at the Science Museum in London.



This row left to right:
Guests listening to British Museum curator at opening of Troy exhibition.

Royal Opera House performance of Figaro as part of BP Big Screens series, London.

Find out more:
bp.com/uk/bpinthecommunity

Oxford Economics' methodology

Contacts, links and further information

For a description of the methodology used in performing this analysis, please refer to the information at:

bp.com/uk/economicimpact

Acknowledgement

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

Disclaimer

bp disclaims any obligation to update this publication. Neither BP p.l.c., nor any of its subsidiaries, accepts liability for any inaccuracies or omissions or for any direct, indirect, special, consequential or other losses or damages of whatsoever kind in connection to this publication or any information contained in it.

Press enquiries:

bppress@bp.com

Government affairs enquiries:

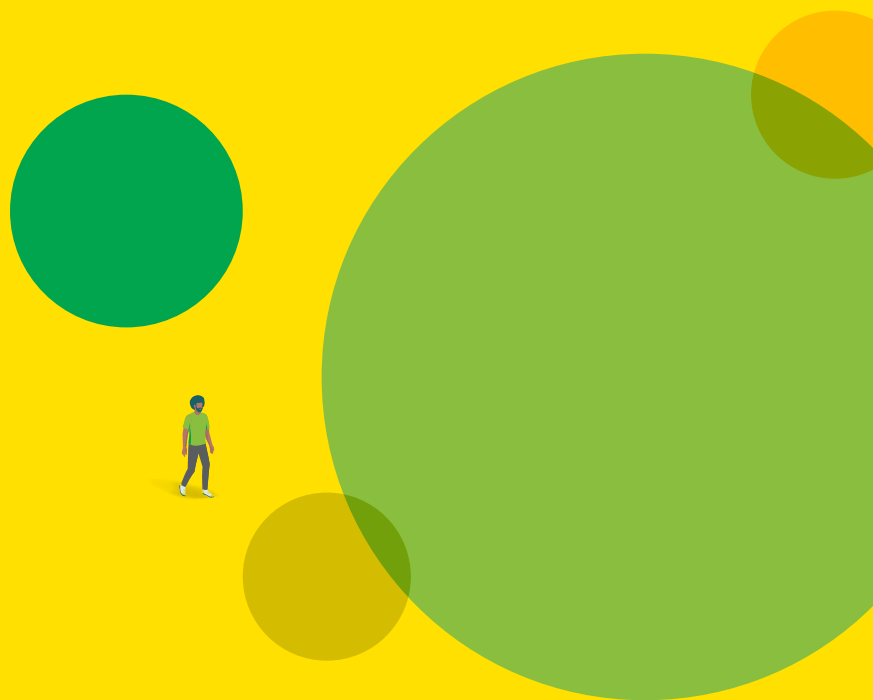
UKGovernmentAffairs@uk.bp.com

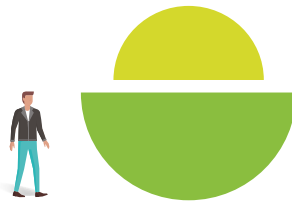
For further information:

bp.com/uk

Design:
thebigwindow.co.uk

Printing:
Pureprint Group Limited,
UK ISO 14001





BP p.l.c.
1 St James's Square
London SW1Y 4PD
bp.com

© BP p.l.c. 2020

