

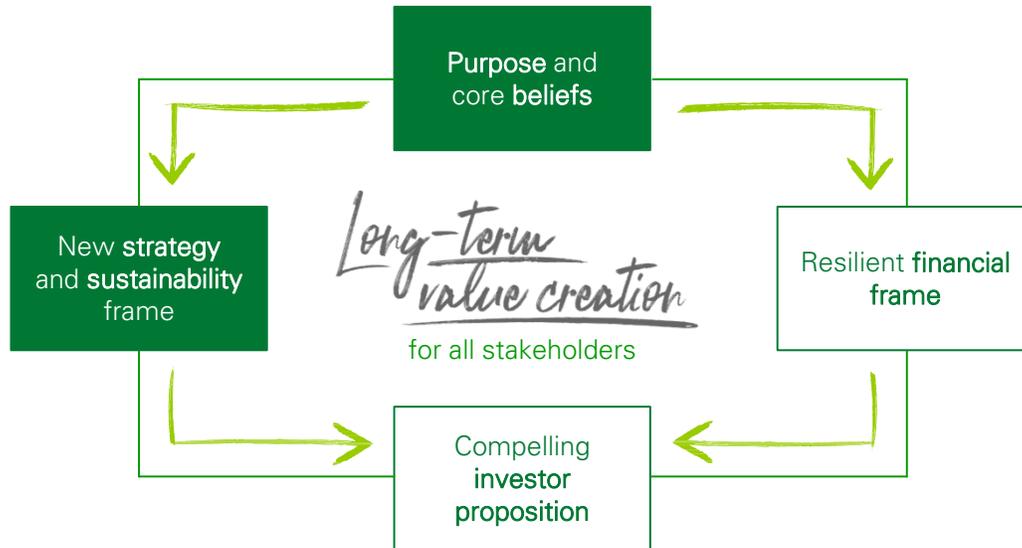


Giulia Chierchia

EVP, strategy and sustainability

Thank you, Bernard

Anchored in a coherent frame



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I'm delighted, and excited to be here today. Some people have asked me why I joined BP – I would reply “why would someone not join in this time of incredible transition?” I can't imagine a more exciting and purposeful challenge to be part of.

Four months down the road, I am as or more excited and hope I can help make a difference to BP and to its role in helping the world get to net zero.

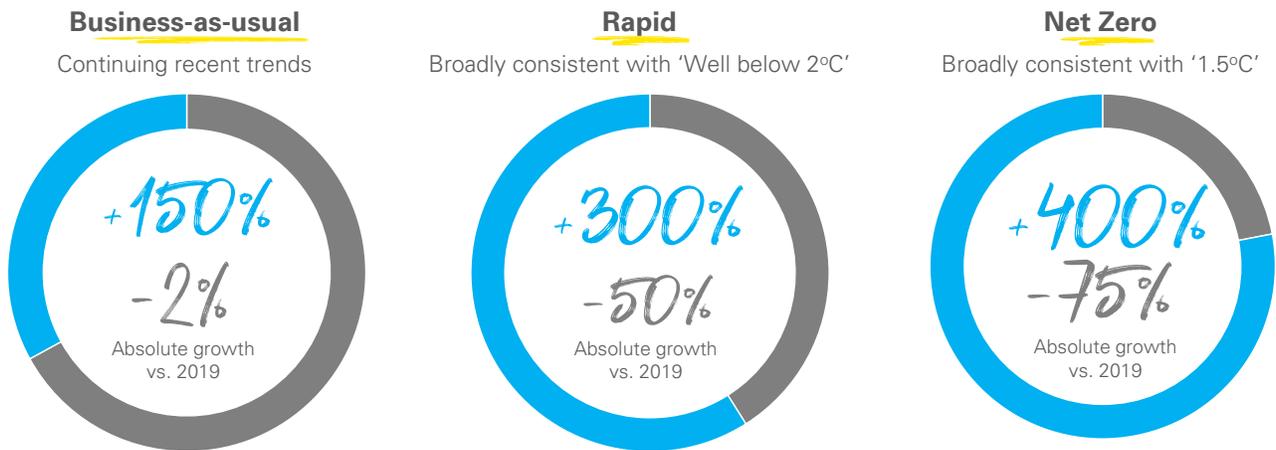
So, let me begin, by outlining our core beliefs, which, together with our purpose, inform our strategy.

I will then talk to the key elements of the strategy and how we intend to align our investments to transition to an Integrated Energy Company, delivering solutions for our customers.

Informed by energy transition scenarios

Share of primary energy demand

■ Non-fossil fuel ■ Fossil fuel



Source: 2050 scenarios - bp 2020 Energy Outlook (provisional)

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Turning to our beliefs. For ten years, we have published our Energy Outlook. This year, we have been working to extend the scope – taking us out to 2050. We have also been working on factoring in the impact of the coronavirus pandemic. We will share the details of our new outlook in September, on day one of our bp week.

Before looking at the details, let me address one question – Why do we need an outlook?

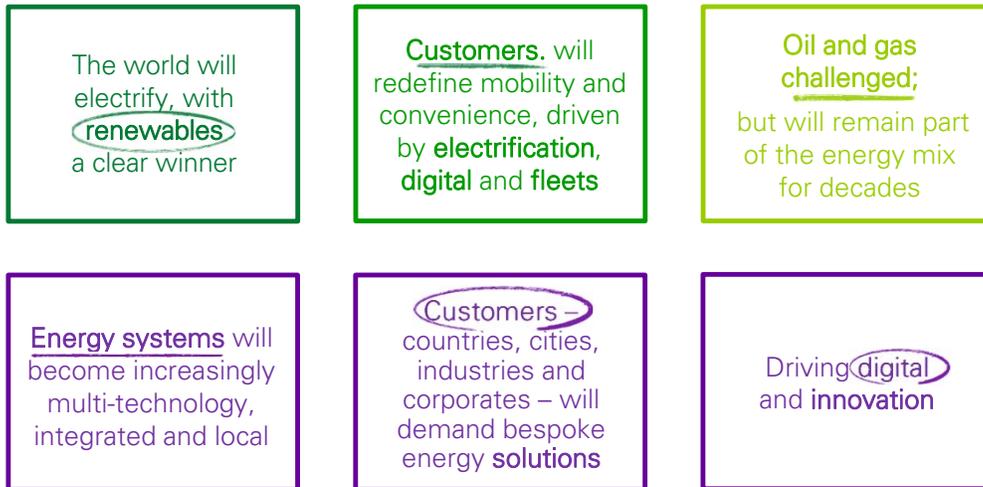
We use outlooks and scenarios to inform a range of possible pathways which the transition may take over the next 30 years. We believe it is not possible or sensible to identify one most likely scenario. But our strategy needs to be robust to the uncertainty around the pace and direction of the energy transition. Specifically, we focus on three core scenarios:

- “Business as usual” – a continuation of recent trends without major change in the pace or direction of policy; this scenario is not “Paris consistent” and results in a reduction in global energy greenhouse gas emissions of only 10% by 2050 versus 2018
- “Rapid” – one of many possible scenarios that can be considered “consistent with Paris”, in line with a “well below 2 degrees” pathway. In this scenario emissions fall by over 70%, with a fall of approximately 80% in the developed world and 65% in the emerging world
- “Net zero” – in which global energy systems emissions fall by 95% by 2050 versus 2018, in line with a “1.5 degrees pathway”. Societal pressure would be a key driver in this scenario, prompting further policy change.

Across these scenarios, the demand for fossil fuels falls – by 2% in the business-as-usual scenario, 50% in the rapid scenario, and 75% in the net zero scenario. These three scenarios highlight the breadth of possible outcomes and the uncertainties we face. Our “rapid” and “net zero” scenarios indicate a direction of travel towards significantly lower carbon in the energy system.

While we do not anchor on a base case and seek resilience across a broad range of scenarios, for the avoidance of doubt, we do not want “business as usual” and will advocate directly, in support of net zero.

Our beliefs on the energy transition



Source: 2050 scenarios - bp 2020 Energy Outlook (provisional)

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With this backdrop of uncertainty, we have established our 'core beliefs' which we think hold true across scenarios. These beliefs underpin our strategy.

Our first three beliefs relate to how we expect the energy demand mix to change:

- First. The world is electrifying at pace and we believe that renewables will be a clear winner. Under the "rapid transition" scenario, global electricity demand increases 80% by 2050. Renewables account for more than 40% of primary energy, a near 10-fold increase. Even in a "business as usual" scenario, renewables still capture 90% of net energy growth
- Second. Customers will continue to redefine mobility and convenience. By 2050, we could be in a world of over 1.5 billion passenger electric vehicles, 80% of the total. Changes in mobility patterns will also impact convenience, redefining the role of physical stores and supporting the growth of last mile delivery; and
- Third. Society is shifting away from its reliance on fossil fuels. And while hydrocarbons will be a necessary part of the mix for many decades, the growth outlook for oil and gas is challenged.

Our second set of beliefs relates to how the energy system will have to change in response to evolving demand:

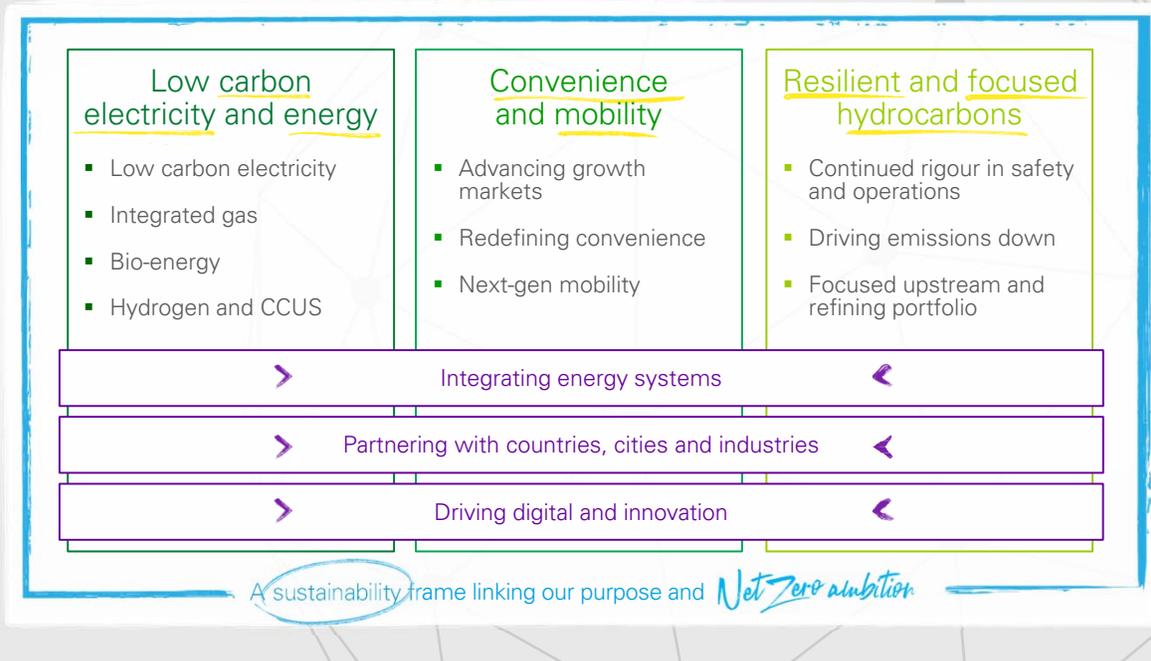
- First, as the world electrifies and renewables, storage and hydrogen grow, supply will become more local, more complex and will require more integration across multiple energy sources to provide stability, maximize system efficiency and ensure a successful transition
- Second, we will see energy and mobility markets increasingly shift from being resource-led to being customer-led. Customers – in particular, countries, cities and industries –

will increasingly demand bespoke energy, mobility and decarbonisation solutions.

114 cities have already pledged to 1.5 degrees by 2050. 23% of Fortune 500 companies have announced emissions reduction goals. A fundamental acceleration in the transition is needed to meet those goals; and

- Third, digital will continue to transform our lives – creating opportunities to drive integration, unlock value and engage with new customers and markets.

Our strategy – an IEC delivering solutions for customers



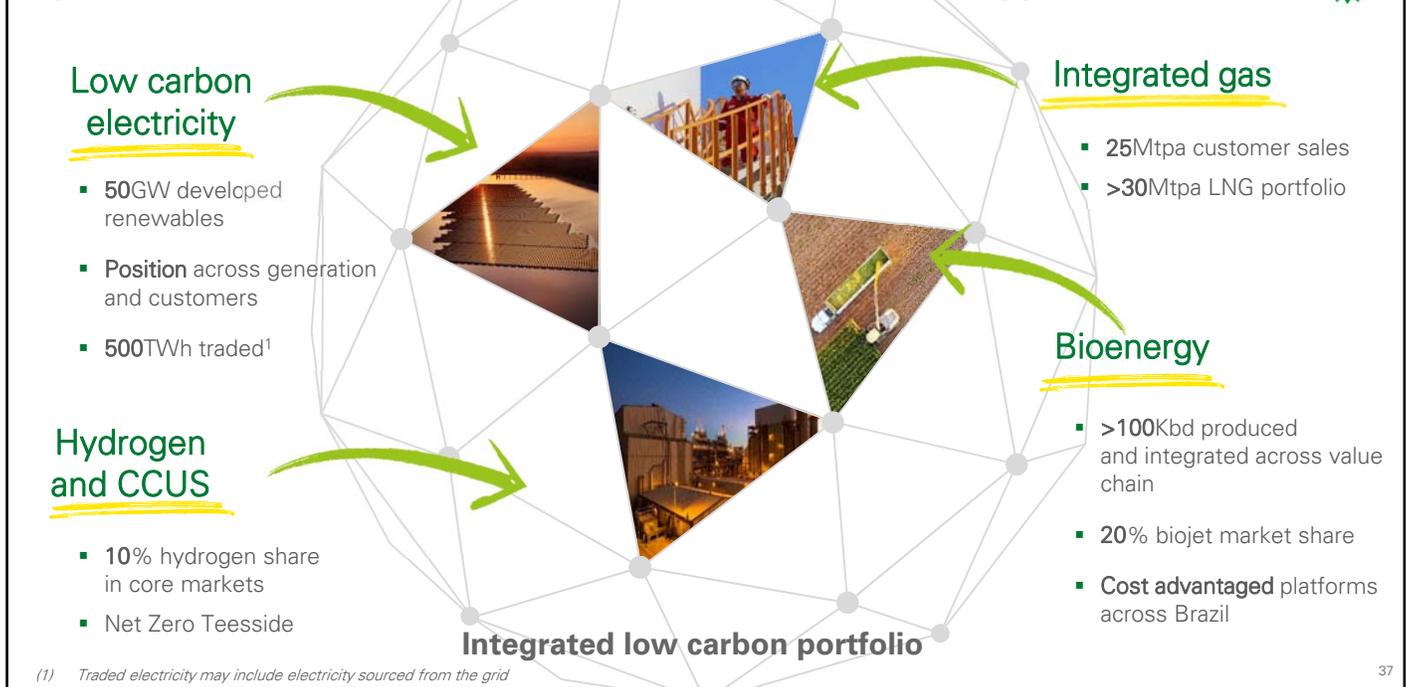
Those core beliefs underpin our 3x3 strategy which Bernard spoke to. He introduced the three core focus areas, the verticals, and the three sources of differentiation, the horizontals.

I will now take you thru the details of the strategy, but before I do so, I want to reinforce that just as our strategy is founded on our purpose, it also stems from our commitment to sustainability. We are building a new sustainability frame, expanded to reflect three priorities:

- “Net zero” – in line with our aims and including our advocacy efforts to help the planet get to net zero;
- Enhancing people’s lives in the communities in which we operate; and
- Caring for local environments and biodiversity, in how we conduct our business and including our active participation in Natural Climate Solutions.

Our recent positions on Human Rights and Biodiversity reflect our evolving sustainability ambitions. We will provide an update on our new sustainability frame in September and intend to seek input from external stakeholders.

bp 2030 aims – low carbon electricity and energy



Let us now dive into our three focus areas, starting with low carbon electricity and energy.

Our intention is to be a leading integrated low carbon electricity and energy player. We plan to scale our low carbon activities in selected markets where we see an opportunity for growth, for transition and for integration. We will participate along and across value chains and will scale in four areas:

First, low carbon electricity. We aim, as Bernard said, to build an integrated low carbon electricity position in select developed and emerging markets:

- We aim to be a top tier renewables player by 2030 in our focus markets, ramping up to have developed 50 gigawatts of renewables capacity, net to bp – across solar and wind
- We intend to grow our commercial and industrial customer portfolios, and balance our electricity generation positions; and
- We aim to double our electricity trading

But we are not starting from scratch. We will complement our solid track record from Lightsource bp, bp wind and trading with strategic partnerships.

Second, downstream gas. Alongside low carbon electricity, we will grow our integrated gas position, building on our high value equity upstream gas, our LNG portfolio and our marketing capability:

- By 2030, we intend to access key demand markets with 25 million tonnes per annum of gas sales; playing to our strengths in supply, trading and optimisation
- We also aim to reach at least 30 million tonnes per annum in LNG portfolio
- We plan to integrate further downstream, securing end-user demand through city gas,

gas-to-transport, gas-to-electricity and Renewable Natural Gas

Third, bioenergy. Hard to abate sectors such as aviation, marine and heavy-duty vehicles will need alternative solutions.

- We plan to scale our bioenergy business, focused on biofuels, biogas and biopower; growing from 22,000 to more than 100,000 barrels per day
- This will include advantaged co-processing in our refineries and third-party facilities
- To this end, we plan to replicate our successful models of bp Bunge in Brazil and of biogas in the US and leverage our biomass conversion technology, such as Fulcrum, which access cost-advantaged feedstock.

Finally, we see hydrogen & CCUS as critical to the world delivering net zero and we are accelerating to take early positions:

- Under our Paris consistent scenarios hydrogen grows to meet between 7 and 17% of final energy consumption. Even at the lower end of this range, hydrogen is a significant source of low carbon energy.
- We believe in a role for both blue and green hydrogen and will focus on both, in North America and Europe, targeting industrial and heavy-duty transport; as well as the Australian export market for green hydrogen
- We see hydrogen playing a key role in our energy portfolio, a possible building block for e-fuels. We aim for a 10% share in core markets
- CCUS will also be an enabler of industrial decarbonisation and blue hydrogen. As you know, we are active with our partners in Net Zero Teesside.

The three low carbon energy businesses, complemented by integrated gas, will all be needed to transition. Moreover, they are complementary to deliver low carbon systems and solutions.

bp 2030 aims – convenience and mobility



Advancing growth markets

>8,000 sites in growth markets

- Differentiated fuels and Castrol lubricants
- Leverage >130m Castrol end users
- Enable transition to low carbon mobility



Redefining convenience

50% margin from convenience and electrification¹

- >3,000 strategic convenience sites
- Market leading food service offers
 - Delivered convenience
 - Last-mile logistics



Next-gen mobility

Differentiated customer offers

- >70,000 EV charging points
- Consumer and fleet solutions
- >50 hydrogen refuelling sites

Customer experience and loyalty enhanced by integrated fuels value chains and digital

(1) As a ratio of total consumer energy (retail fuels and electrification) and convenience margin (excludes equity accounted entities)

Our second focus area is convenience and mobility.

Consumers are changing. Urbanising. Demanding an optimal use of their time. Driving new digital business models.

Mobility and retail convenience are changing too, at a different pace across different regions. We believe we are well placed to help accelerate the global revolution in mobility and redefine the convenience retail experience. Some might be surprised with our focus on convenience. We intend to focus on convenience because the opportunity is set to double in the world's leading economies over the next decade, we have track record of highly attractive returns and we have the skills and scale to deliver. We currently have 10 million customer touch points per day. We sell 150 million cups of coffee per year. 90% of British and German inhabitants live within 20 minutes of a bp site.

First, we want to scale our presence in growth markets – China, India, Indonesia, Mexico - reaching over 8,000 sites by 2030 from 1,270 in 2019:

- We will build on our differentiation and brands, such as Castrol, to capture pre-eminent positions
- Over time, our plan is to drive low carbon mobility through advocacy and partnerships, such as DiDi in China

Second, we will accelerate and refresh convenience providing consumers with a differentiated offer: what they need, where and when they need it:

- We aim to expand to over 3,000 convenience sites in developed markets from 1,600 in 2019
- And we will put the customer at the heart of everything we do through a seamless digital experience and innovative offers such as delivered convenience and last mile

logistics.

Finally, we intend to shape and drive next generation mobility solutions for our customers:

- We plan to scale up EV charging to 70,000 points across China, Germany, UK and the US. We will build on successful platforms such as bp Chargemaster and Didi in line with our vision to be the fastest, most convenient network
- We aim to become the partner of choice for fleets – as shared mobility could grow to almost 60% of EV usage over the next three decades
- We plan to build and grow Castrol's customer access to accelerate the transition to EV and new fluids
- And finally, we will develop early positions in hydrogen for heavy duty transport, aiming for more than 50 refuelling sites in core markets.

By 2030, we see 50% of our retail gross margin coming from convenience and electrification activities.

All in all, by putting the customer at the centre of everything we do, we aim to double our customer touchpoints over the next ten years.

bp 2030 aims – resilient and focused hydrocarbons



Continued rigour in safety and operations

- Capital discipline and project delivery
- Operating efficiency
- **>96%** upstream plant reliability¹ and refining availability¹



Driving emissions down

- **>15Mte** reduction in Aim 1
- **>125Mte** reduction in Aim 2
- **Reductions** from electrification, energy efficiency, reduced flaring and portfolio
- **Methane measurement** by 2023 per Aim 4



Focused upstream and refining portfolio

- Divest non-core assets
- **~1.5mmboed²** oil and gas production in the highest quality basins
- Strong platform in Russia through Rosneft
- **~1.2mmbbl/d** refining throughput
- **Top quartile** refining margins

Unchanged HSSE goals: No accidents, no harm to people, no damage to the environment

(1) bp-operated (2) bp net, excludes Rosneft

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Our long-standing portfolio of production and refining is at the core of our bp heritage. Looking forward, a portfolio of resilient assets, focused on value, with a driving force to reduce carbon will continue to be part of our transition

As Murray will outline, we plan to raise bp-operated upstream plant reliability and refining availability to over 96% in the next five years.

Improving capital and cost efficiency are intended to result in more competitive positions in production and refining.

Second, as presented by Bernard, we have clear 2025 targets and 2030 aims to reduce both our operational emissions and carbon.

Against Aim 1, we aim to reduce our operational emissions by at least 15 million tonnes by 2030. Against Aim 2, we aim to reduce at least 125 million tonnes of scope 3 emissions by 2030.

Third. We will complete the ongoing programme of major projects, and,

Fourth. we intend to high-grade our portfolio.

We intend to focus on our highest quality basins and on resilience for oil, gas and refining operations.

These criteria will be central to our decisions on which assets to divest from our portfolio.

We expect this could result in a reduction in production volumes to around 1.5 million barrels oil equivalent per day and in refinery throughput volumes to around 1.2 million barrels per day in 2030.

These numbers do not include our shareholding in Rosneft – which is a fundamental part of our broader portfolio providing us with a strong position in Russia – a key and resilient oil and

gas province.

We welcome Rosneft's reported reduction in CO2 per unit since 2016 – by 7% in upstream and by 11% in downstream. These are just two examples of their shared commitment to reducing emissions.

Inevitably there may be questions as to the role of hydrocarbons in our strategy.

Hydrocarbons are key to our transformation. They are a core part of our strategy and, de facto, they enable the strategy.

Hydrocarbons are likely to be the key source of earnings and of growth in returns over the next several years.

And what we are saying is that as bp becomes a fully Integrated Energy Company, hydrocarbons will be one part of a more balanced portfolio.

Our distinctive sources of value creation



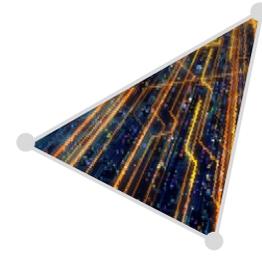
Integrating energy systems

- **Integration along** value chains
- **Integration across** value chains
 - Physical and virtual
- Develop **integrated offers** for customers



Partnering with countries, cities and industries

- Focus on **10-15 cities** and **3 industries**
- **Transition pathways** and jointly developed, bespoke solutions with partners
- Dedicated origination team



Driving digital and innovation

- **Transform** core operations, enabling material **efficiency improvements**
- **Extend customer access** to energy, mobility and convenience
- Reduce carbon footprint in operations and products
- Drive adjacencies via bp Ventures and Launchpad

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As mentioned, we believe in our ability to amplify value from our focus areas through three sources of differentiation. The horizontals on the 3x3 slide. These are the essence of the new bp.

First and foremost, we will focus on driving integration in everything we do. Through integration we bring everything together, to create end-to-end customer solutions. Our organisational set-up was designed for this purpose.

- We will integrate and optimise along each value chain. We have been doing so for many years in our fuels value chain. Similarly, we will build integrated positions in electricity, gas and in mobility, from customer through the resource. As an example, we aim to offer charging solutions to EV fleets, ideally powered through our renewable electricity.
- We will integrate across value chains. This integration will be physical - by integrating and optimizing physical assets and their operation – or virtual – enabled by trading.
- As an example of physical: integrating in industrial sites with renewable electricity generation, hydrogen to decarbonize operations and eventually municipal solid waste conversion to produce bio and e-fuels.
- As an example of virtual: offering firm zero carbon electricity to industrial customers; where our renewables team produces electricity from solar and wind assets, our Trading and Shipping team complements and balances the intermittency with electricity from gas and offsets the carbon with credits derived from our Nature Climate Solutions portfolio. The latter, supported by our Venturing investment in Finite Carbon.

Second. To bring integrated solutions to our customers, we have formed a dedicated team to partner with countries, cities & industries.

- We will focus on 10 to 15 cities and on three industrial sectors including high-tech and consumer-facing, heavy transport (including aviation, marine and trucks) and heavy

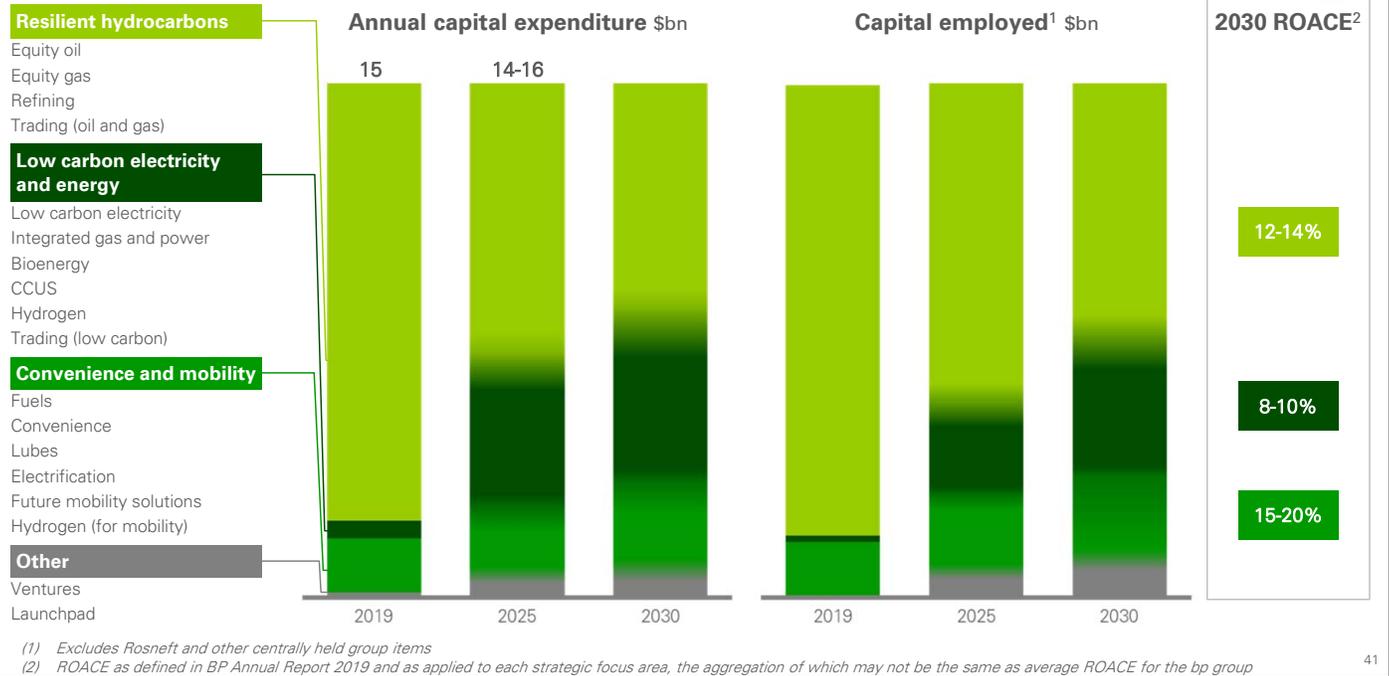
industry, including cement and steel; and

- We will aim to partner to define transition pathways and develop joint solutions

Third. we will drive forward with digital and innovation.

- We aim to transform our core businesses to drive efficiency, reduce costs and drive value creation. We aim to more than double capex spend on digital from today to 2025 and increase again substantially by 2030. Digital will be an enabler of a significant part of the cost savings which Murray will discuss shortly.
- Over the last three years, we have hired 150 digital professionals each year, from a diverse set of companies – such as Wartsila, Tesla and Uber, including some of our SVPs.
- We now have over 40% of our digital estate on the cloud and intend to double that in the next five years.
- Within this digital estate, we have simplified the number of applications by 30% in recent years.
- We intend to build on seamless digital experiences to grow our customer facing businesses.
- Finally, we can move forward with adjacencies using our growth vehicles to nurture new businesses through bp Ventures and Launchpad, with Launchpad expecting to grow from four to more than 15 active residents by end- 2022.

Financial outcomes from new strategy



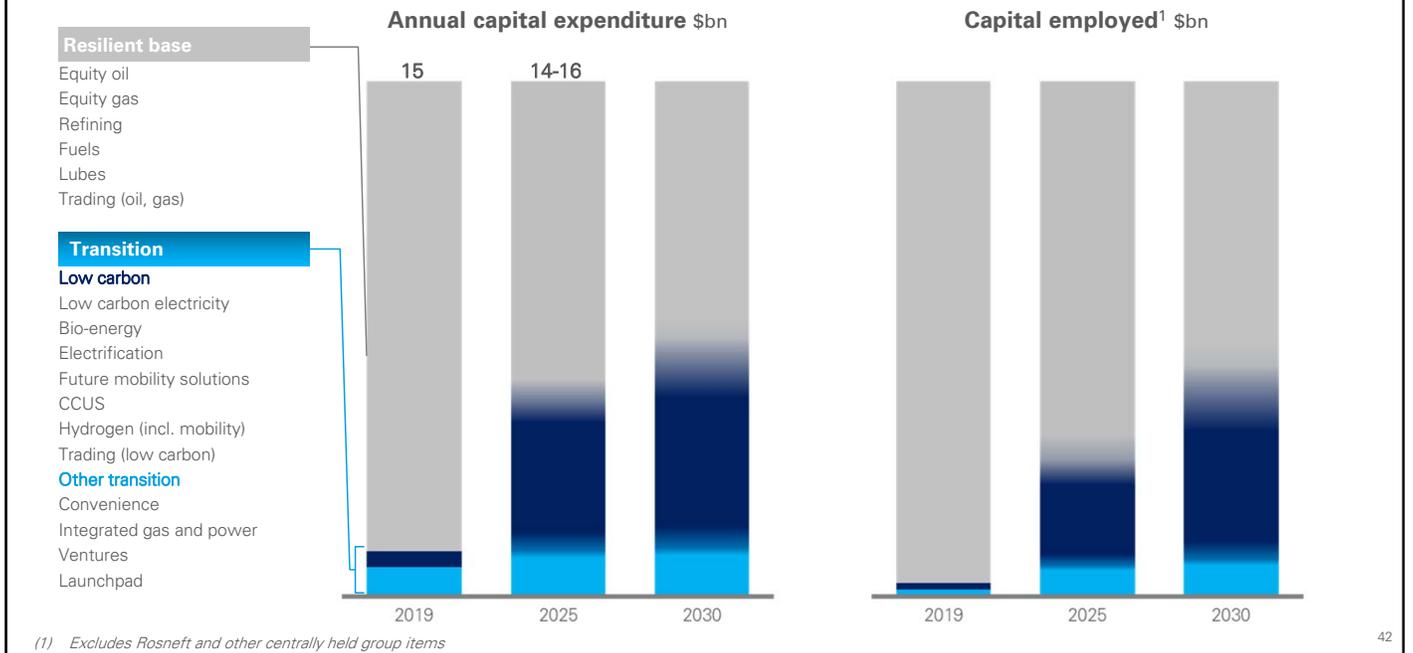
These 2030 aims are far more than just words. We intend to align our capex allocation to our strategy to transition from IOC to IEC.

Over the next ten years, we intend to increase our investment into our two growth areas, from about 15% of capex in 2019 to 40% or more by 2030. Such capex allocation represents a seven-fold increase in low carbon electricity and energy and a doubling in convenience and mobility. Over time, the change in capex allocation translates into our capital employed.

By 2030, we expect to see ROACEs in the range of:

- 12-14% from resilient and focused hydrocarbons – in line with through cycle returns
- 15-20% from convenience and mobility – in line with historical performance; and
- 8-10% from low carbon electricity and energy, while achieving steady growth and a low risk profile

Transition to an integrated energy company



Let me conclude by summarising;

All in all, we expect bp to be a very different business in 2030, well on the way to being net zero by 2050 or sooner.

As we transition, over 60% of our capital employed could still be in the resilient base which includes our upstream oil and gas, refining, fuels marketing and lubricants. We should remember that the base plays a critical part in funding the transition. It supports our returns to our shareholders, and it provides financial flexibility for the transition.

At the same time, by 2030, as much as 50% of our capex could be spent on transition, of which a significant majority will be low carbon. That powers the transformation of bp, drives delivery of our new strategy, and puts us well on the way to be a leading and established integrated energy company.

Let me now handover to Murray who will take us through our new resilient financial frame.