



Advocacy

Campaigns Update

March 2021





// We will activate two mutually reinforcing advocacy campaigns

Ideas Advocacy

Objective: Create the conditions that allow for greening companies to succeed

Message: To get to Paris we need to embrace not just green companies but greening companies too – companies with scale and know-how, with the ambition to get lower carbon and a plan for how to do it

Metric: Greening companies mentioned widely in conversations and media coverage



Same target audience
Investors, Policymakers, Staff, Engaged & Influential Society



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// An ideal Business Policy Advocacy Campaign has three parts

Policy Advocacy

Business objective

advances our strategy to become an IEC and deliver lower carbon solutions faster.

Policy objective

makes change happen and supports rapid progress for the world to get to net zero.

Communications objective

increases credibility and belief that bp wants to get to net zero and wants to help the world get there too.

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// Campaign #1: Sustainable Aviation

Business objective

> 20% biojet market share by 2030

Our initial proposed activity

> Advocating in support of EU Commission and country SAF mandates
(Brussels, Germany, Netherlands, Spain)

Timing – immediate live opportunity in Germany

bp policy asks (Europe)

- > Introduce ambitious SAF mandates to increase demand and incentivize supply
- > Support SAF production with financial incentives
- > Policy support needs to be extended into 2040s to provide market confidence
- > Incentivize sustainable feedstocks, such as waste and residues, that meet robust sustainability criteria

Underpinned by bp policy positions

- > bp believes that well designed economy-wide carbon pricing is the best way to manage emissions reductions, but current carbon prices well below that required to deliver Sustainable Aviation Fuel (SAF)
- > As a result, we support Sustainable Aviation Fuel mandates, carbon intensity standards or contracts for difference
- > bp supports the use of feedstocks with certified carbon reductions and minimal risk of indirect land use change (ILUC) impact such as waste and residue feedstocks
- > We believe electrification can help to decarbonise aviation. However, this will occur in smaller aircraft first due to battery energy density limitations. Hydrogen and other electro-fuels may play a role in aviation over the longer-term



// Campaign #2: Sustainable Road Transport

Business objectives

- > Double customer interactions by 2030, including mobility solutions
- > By 2030 50% of our gross retail margin will come from convenience & electrification

Our initial proposed activity

- > Calling for enhanced rapid charging incentives and removing financial barriers to uptake (UK)

Timing – Q2, aligned to bp pulse brand activity

bp policy asks (UK)

- > Decrease the cost of connecting EV grid infrastructure
- > Remove the restraints on Distributed Network Operators (DNOs) that impact their ability to invest for future demand
- > Hardwire the need for rapid EV charging infrastructure into local council land planning regulations
- > Provide government support for EV charging infrastructure to level-up commercially unfeasible areas
- > Provide environment to enable EV market to flourish, ensuring unencumbered market growth over the coming decade
- > Potentially – level VAT rates across at-home and out-of-home charging

Underpinned by bp policy positions

- > We support measures to phase-out sales of new petrol and diesel cars and vans, if matched by the phase-in of alternatives, even if it is a challenge to our legacy business
- > For an early phase out of ICE to be viable, we believe UK will need alternative technologies and fuels, especially EVs and hydrogen; strong policies to improve battery tech and rollout of infrastructure for hydrogen and fast charging; continued internal combustion engine efficiency improvements; and plug-in hybridization as a bridging technology to build consumer confidence

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At-a-Glance

Regional Areas of Focus

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// UK priority policy asks

> Low carbon electricity and energy

Secure Government funding and policies to enable Net Zero Teesside

Obtain certainty of feasible business models including transport & storage, dispatchable power / CfD and hydrogen production) to enable a FID of NZT

Harmonize regulatory frameworks for bp to align offshore wind, CCS, hydrogen, and EV charging infrastructure (also applies to RC&S)

Accelerate Development Consent Order (DCO) timeline for Project Elizabeth

> Convenience and mobility

Set conditions to rapidly grow EV charging business

Distributed network operator (DNO) performance regarding timeliness and costs associated with grid connections

Allow DNOs to invest for future demand

Clearer land use planning and rights to support rapid charging hubs

Government support to drive EV demand in areas where it is commercially unfeasible, as well as stimulate fleet adoption

Enable bpPulse market growth over the coming decade

Potentially – level VAT rates across at-home and out-of-home charging

> Resilient and focused hydrocarbons

Showcase North Sea as high value and environmentally progressive basin

In the current policy review of the UK offshore O&G licensing regime, obtain regulation to decarbonise the North Sea consistent with bp's ambition

Obtain onshore electrification approvals

> Sustainable finance

Ensure UK sustainable finance taxonomy supports transitioning energy companies

Ensure 'greening' companies are recognised in HMT's emerging consultation – allowing bp's continued access to finance and investment



// Europe priority policy asks

> Sustainable finance

Support inclusion of greening companies and transitioning technologies within the EU's new financing & governance systems setting out what activities can be considered as sustainable and how these are reported

> Low carbon electricity and energy

Support legislation aligned with OGMP2 methodology to address measurement, reporting and verification of methane

Obtain key provisions in EU gas package to support all low carbon forms of gas and not discriminate against blue hydrogen

> Convenience and mobility

Support mandates within the Alternative Fuels Infrastructure Directive for zero emission vehicles (EVs and hydrogen)

Support a higher target for sustainable transport fuels under the revised Renewable Energy Directive

Secure secondary legislation to support blending of green hydrogen in refining and coprocessing of sustainable biofuels

> Sustainable aviation and shipping

Work with other progressive players in aviation sector to support ambitious target for the deployment of aviation fuels

Support emerging policy proposals that encourage decarbonisation of shipping sector

> Carbon Pricing

Avoid inclusion of transport and buildings in the EU Emissions Trading Scheme

EU Carbon Border Adjustment Mechanism should be effective in addressing carbon leakage and be WTO compatible

> Trade and climate leadership

Understand broader impact of EU politics on bp as well as role of EU in shaping international agenda on climate and other issues

Continue to monitor and engage on possible EU sanction measures on Russia and Turkey

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// Sustainability Forum forward policy agenda

March

- > Arctic
- > Principles for sustainable feedstocks
- > Social cost of carbon
- > Offsets

- > Arctic (finalised)
- > Sustainable fossil feedstocks
- > Sustainable bio-feedstocks
- > Insets
- > Wider road transport

April

May/June

- > Access to energy
- > Wider aviation policy

July/Aug

- > Power markets and offshore wind
- > NOJVs

Sept/Oct

- > Battery Life cycle
- > LCA generally
- > FPIC

TBC

- > Carbon border adjustments
- > UK/EU ETS