



// C&A and S&S priorities and target



- ✓ Together, S&S and C&A are designing policy positions and advocacy campaigns to **enable the business to deliver against its strategy and net zero ambition** as quickly as possible
- ✓ With Aim 6 we publicly committed to stop corporate reputation advertising campaigns and to **redirect resources to promote well designed climate policies**
- ✓ We have a **clear target to track progress**



start with this? then research slide? therefore:



// How we're doing so far

bp is not highly associated with or differentiated on our key metrics yet

KPI:

Is increasing recognition that bp is advocating for good climate policies

ATTRIBUTES:

"Advocates for the right policies to help address

"Is taking steps now to help the world reach net

KPI:

Increase recognition that bp is performing even as it transforms

ATTRIBUTES:

"Is a high performing business today that is successful in the future"

"Is both a successful company and a greening

KPI:

Increase recognition that bp is truly pivoting from IOC to IEC

ATTRIBUTES:

"Is transforming itself to provide more diverse solutions"

"Is changing from an oil and gas company to a company delivering a range of energy solutions"

BASELINE			
NOV '20	APRIL '21	APRIL '21	APRIL '21
bp		SHELL	EXXON*
24%	↓ 20%	22%	22%
25%	↓ 21%	23%	20%
24%	↑ 29%	32%	28%
---	22%	25%	23%
---	23%	24%	21%
---	22%	24%	21%

*UK & US only

Q: How well does each statement below describe [COMPANY].

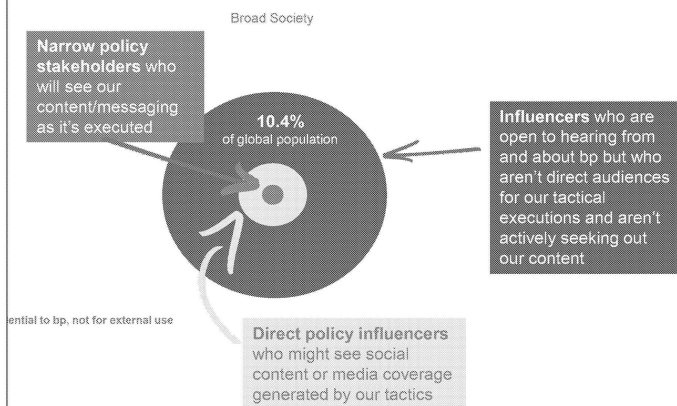
SHELL:

*Advocates for right policies: -2□Is taking steps to help the world: -2□*High performing business today: +8

Armchair Pundits are more likely to associate bp with KPI attributes, while Committed Climate Actors and Community-minded Actors are less likely to do so



// Our policy advocacy efforts focus on narrow audiences, but we can expand their reach and impact



Engaged & Influential segments

are important to bp's policy & business outcomes because:

- **prioritize climate change** over most other issues
- **consume, share and comment** on news & info about climate change
- formulate **ideas and attitudes about the roles of governments and companies, including bp**, in solving climate change
- **share their ideas and beliefs with others** who trust them
- **advocate for their desired solutions**, and encourage others to do the same



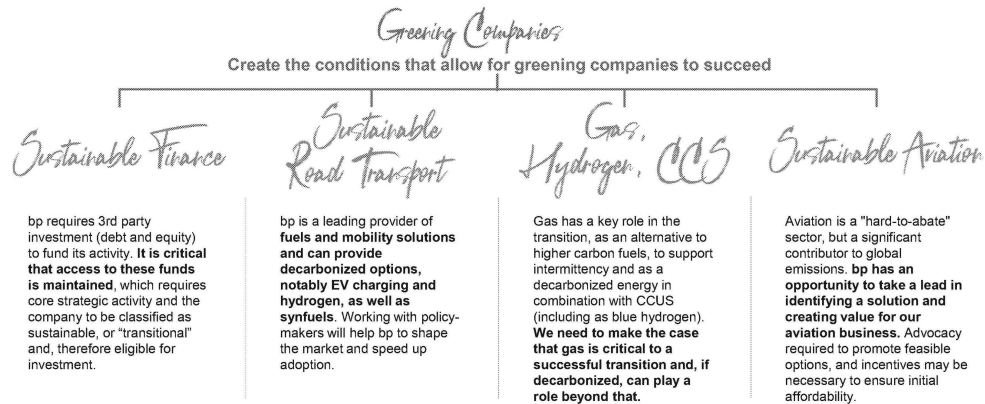
// By engaging more widely, we can condition the environment for better policy & business outcomes



Rachel: simplify



// We have identified four advocacy areas that can achieve that



Make change happen that supports rapid progress towards net zero and builds strategic advantage for bp

// Campaign #1: Sustainable Finance – direct advocacy, driven in region



Business objective

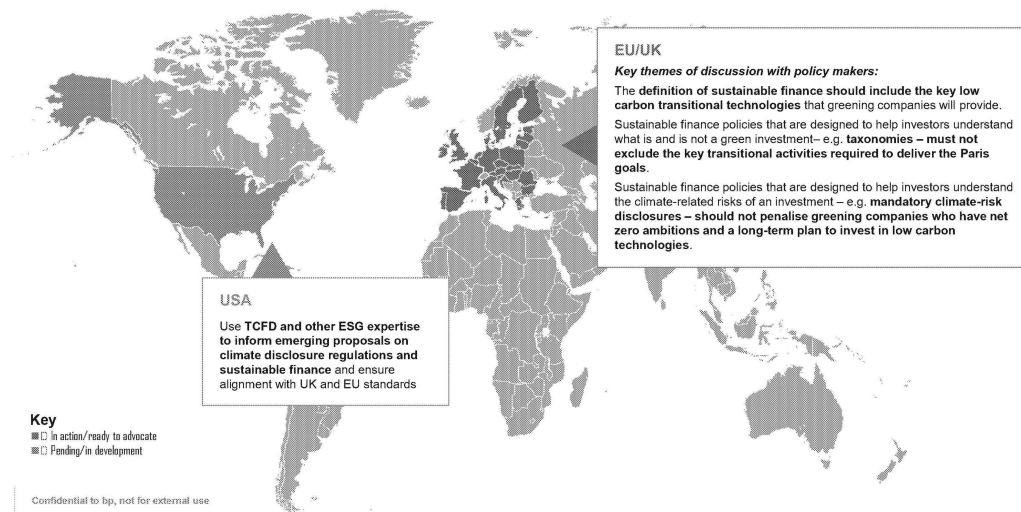
- > **Safeguard and enhance access to competitive finance and be recognised as a transitioning company and a leader in transparency.**



bp policy positions / themes

- > The world **cannot just rely on green companies to deliver the finance and skills required to meet the Paris goals**. We need to **support greening** companies too – companies that are not low carbon today, but **have a net zero ambition and a plan** for how to achieve it.
- > For investors, **greening companies offer sustainable long-term value** by scaling up their portfolio of key low-carbon investments critical to delivering the energy transition.
- > For policymakers, **greening companies offer commitments to long-term investments**, innovations, and job creation required to deliver the Paris goals.
- > For ESG indices and rating agencies, **greening companies offer measurable commitments to following a trajectory to achieve the Paris goals**, to embedding sustainability across their business activities, and to high-quality transparent ESG and climate related reporting.

// Campaign #1: Sustainable Finance



// Campaign #2: Gas, CCUS and hydrogen



Business objectives

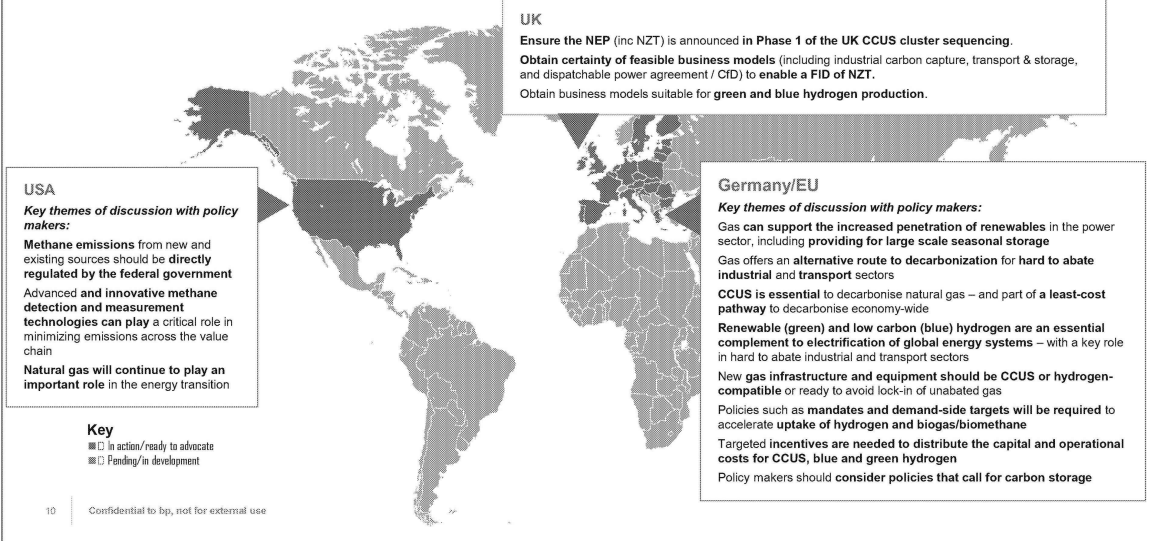
- > Gas must have an enduring role over the next decades
 - Still constitutes 50% of our production
 - Aspirations to grow LNG to 30MTPA and gas demand only peaks in 2030s
- > We want 10% hydrogen share in core markets
 - bp targeting \$400m RCOP in 2030. This would constitute ~10% of G&LCE
 - 10% share could be as much as 20% of total demand
- > Enable Net Zero Teesside to get to FID



bp policy positions / themes

- > Natural gas has a key role to play for decades to come in getting the world to net zero.
- > The production, supply and use of natural gas can and must be decarbonised as fully and quickly as is practical.
- > The contribution of gas to a net zero world and the pace at which it can be decarbonised will vary regionally
- > Support is required to develop and mature the landscape for hydrogen, carbon capture and biogas/biomethane
- > Clear regulations and standards can create incentives and a stable environment for a decarbonised energy system

// Campaign #2: Gas, CCUS and hydrogen



// Campaign #3: Sustainable Road Transport



Business objectives

- > **Double customer interactions by 2030, including mobility solutions**
- > **Increase our worldwide charging points from 7,500 today to more than 70,000 in 2030**
- > **By 2030 50% of our gross retail margin will come from convenience & electrification**

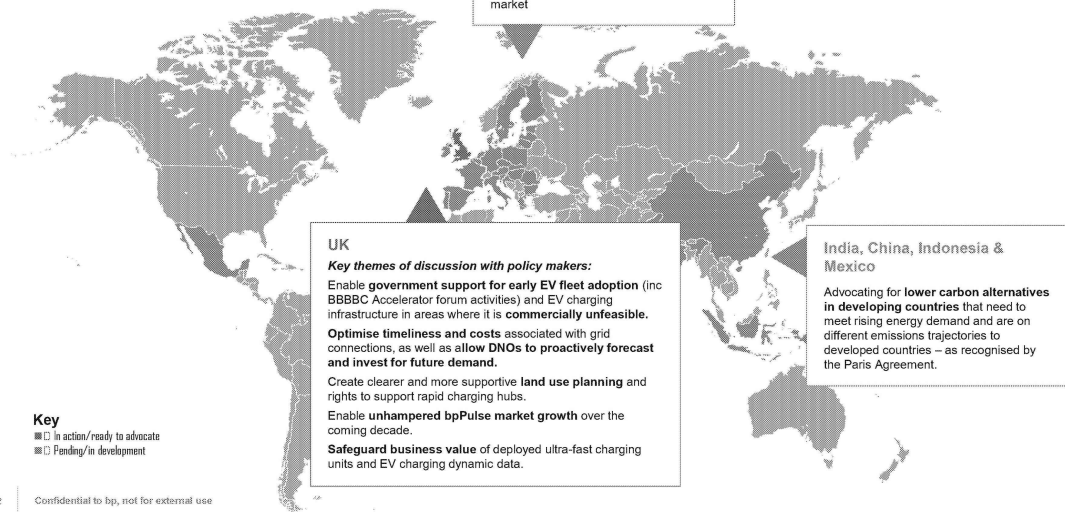
- Targeting \$1.5-3.5bn RCOP in 2030. This would constitute ~40% of C&P

11

bp policy positions / themes

- > The pace of decarbonisation of road transport will vary regionally
- > Where we have a significant presence in a country's transport sector, we will advocate for policies that we believe will best create conditions to support decarbonisation as soon as is feasible and appropriate
- > For passenger cars and light duty vehicles we support plans to phase out petrol and diesel fuels and increase electrification
- > We need to build the EV-charging networks of the future with better and more reliable connections to the grid and more charging points and ultra-fast hubs in local communities; and, by making it easier and for consumers to charge their EVs fairly and affordably
- > Until lower carbon transport options (like EV) are adopted at scale, we know significant reductions in emissions will be achieved by increasing the efficiency of ICE vehicles and decarbonising the fuels they use
- > bp therefore supports increasing use of biofuels as effective way to reducing carbon intensity of fuels for ICE vehicles in the short to medium term
- > bp supports use of biofuels derived from waste materials and sustainable agriculture that avoid risk of release of GHGs from land use change
- > For heavy duty vehicles bp supports use of alternative fuel types such as advanced biofuels, natural gas, biomethane and e-fuels
- > Emissions can also be reduced by modal shift and smart vehicles/roads

// Campaign #3: Road transport



// Campaign #4: Sustainable Aviation



Business objectives

> 20% biojet market share by 2030

- Biojet forecast to grow 50% CAGR to 2050
- Airbp RCOP plan in 2030 \$700m, of which SAF \$50-100m

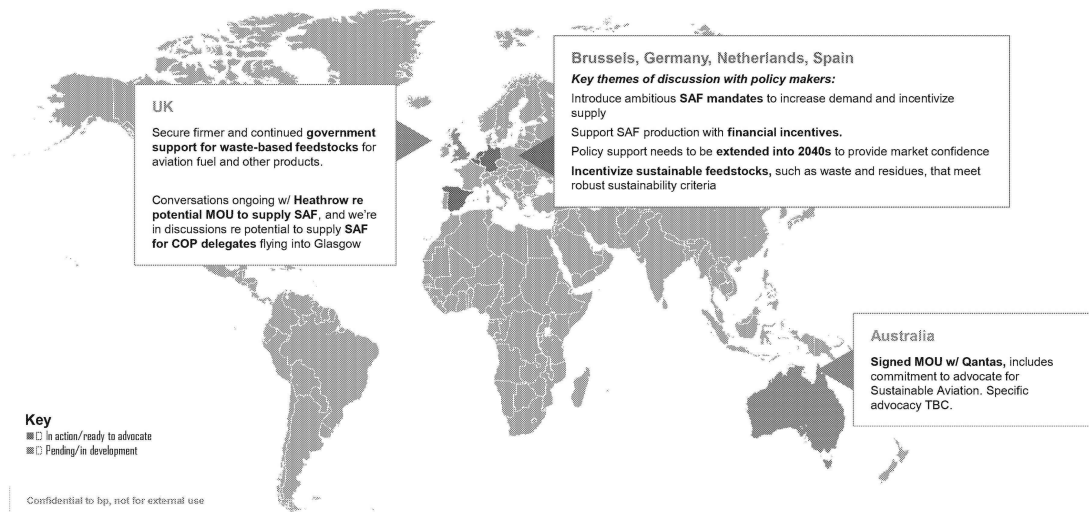
> Enable a material reduction in the carbon intensity of our marketed portfolio



bp policy positions / themes

- > **SAF provides a significant opportunity** to reduce emissions from aviation and **can be used in existing infrastructure and aircraft.**
- > **We support developing multiple SAF production pathways.** A mix of feedstock and technology pathways will be needed, differing by region.
- > **We support ambitious SAF mandates for sustainable feedstocks** as an effective way to help develop the market and reduce abatement costs to levels nearer those faced in other sectors.
- > **High quality offsets are an effective, flexible and low-cost way to address emissions from aviation.** They are complementary to but cannot replace SAF.
- > **Electrification can help to decarbonise** the short-haul segment. Hybrid electric flying can be a first step.
- > **Hydrogen has much higher energy density and can be leveraged** for long-hauls, but **requires radical technology** improvement and full redesign of aircraft.

// Campaign #4: Sustainable Aviation Fuel



// Centrally-driven policy advocacy campaign key next steps



Sustainable Finance

Ongoing active advocacy at EU level and with member states led by Brussels team

Initial list of sustainable activities adopted in April, but decision on natural gas still outstanding due to polarised stakeholder views

Related corporate disclosure rules currently being reviewed, adoption due in 2H

Advocacy primarily via trade associations given highly politicised debate

Gas, Hydrogen, CCS

Biden Administration Executive Order calls for new national methane regulations for existing sources by September 2021 – bp engaging directly with EPA on rule design

US CSA working with the business while awaiting a clear strategy, which will guide CCUS state-specific policy requirements and advocacy. Progress being made on bills concurrently being worked in TX and IL that will be intermediate components of broader CCUS policy in the future

Team also monitoring multiple federal bills that include CCUS and H₂ incentives and/or credits. Primary engagement on these bills is via trades (AFLACF, CHFC). bp in US recently joined Clean Hydrogen Future Coalition

UK focus on working with UK Government to secure right conditions for NZT and NEP to progress

ESLCE Hydrogen strategy to complete Q2'21. ESLCE Gas strategy also under review, timeline TBC

Sustainable Road Transport

Focus on UK electrification advocacy to support bp's growing ambition to expand bp Pulse. Campaign plan in development phase. REVindex Partnership with The Economist progressing

SSS honing coherent holistic sustainable road transport position. SF to review latest iteration following April meeting. Campaign developing plan to utilise global hook of World EV Day, September '21

Aligning bp and government ethanol blended fuels rollout communications. (UK communications start in July ahead of a September effective date)

Sustainable Aviation

Developing campaign plan to increase awareness and understanding of SAF among EBI segments as *the key* to decarbonising aviation. Air bp team supportive of initial ideas.

Creating assets and narrative messaging to build proof points on back on recent 'first sale of SAF' announcements across European markets (Spain, UK, France) and forthcoming partnership with Lufthansa at Munich

SSS further developing policy positions to support more detailed policy discussions in European markets, at EU level ahead of EU Refuel proposals and in Australia in support of Qantas MDL