

BP AGM 27th May 2020
Statement by supporters of Climate Action 100+

To the Chair, members of the Board and fellow shareholders,

This statement is supported by the undersigned shareholders and shareholder representatives who are supporters of the collaborative engagement initiative, Climate Action 100+.

Firstly, we want to extend our support to you during this difficult time of international crisis. BP's ability to continue its operations is testimony to the commitment of its staff across all levels of the organisation. We welcome the actions taken to support key sections of society, including providing free fuel to ambulances and BP Chargemaster providing support to electric taxi drivers who are transporting NHS workers.

Last year, supporters of CA100+ presented a resolution calling for the company to set out a strategy consistent with the Paris Goals, together with its goals and targets to achieve this. Bernard Looney, in his first days as the newly appointed CEO, emphatically responded to this request with the announcement of the ambition to become a net zero company by 2050 or sooner and to help the world get to net zero, supported by 10 Aims. In particular, the aim to reduce the absolute emissions associated with BP's oil and gas production to net zero by 2050 or sooner recognises the need to work within a finite carbon budget, which we strongly support.

Naturally, investors are keen to understand in detail what this means for the company's investment proposition over the near term. We therefore welcome confirmation in the Q1 results that, despite the pressures of the Covid-19 crisis, the climate transition remains a priority for the business, with further details to follow at the September capital markets day. The period to 2030 will be critical to BP's future and to meeting the Paris Goals. We would welcome more clarity on BP's short and medium-term targets aligned to the announcement of the net zero ambition, such as the planned levels of investment in traditional oil & gas and low carbon technologies, greenhouse gas emissions targets for energy produced and sold (scopes 1-3) and the links to remuneration.

The 2019 Annual Report also saw the first formal reporting against the requests of the CA100+ shareholder resolution and we thank the Board for addressing each area. In particular we welcome the company's first report on how BP evaluates new material capex investments for consistency with the Paris goals. This breaks new ground by developing a profitability and carbon intensity test for projects under conditions which BP believes are consistent with the Paris Goals.

This capex test is critical to avoid the significant financial risks of investing inconsistent with the Paris Goals, as well as preserving BP's wider 'licence to operate'. Given the possibility that the Covid crisis may have brought forward peak oil, we would request that these assumptions are kept under careful review. We also look forward to building on our constructive engagement in this area, exploring how to ensure that capex is also consistent with carbon budgets aligned to BP's journey to net-zero.

We recognise that BP has commenced on a transformational journey towards becoming a net-zero company, which we support, and we look forward to working with the Board and

Bernard Looney and his management team in navigating the challenging journey towards this destination.

Thank you.

APG Asset Management

Aviva Investors

AXA Investment Managers

BMO Global Asset Management, also on behalf of our advisory clients

EOS at Federated Hermes, on behalf of its stewardship clients

HSBC Global Asset Management

Kempen

Legal & General Investment Management

Local Authority Pension Fund Forum (LAPFF)

M&G Investments

Newton Investment Management

PGGM

UBS Asset Management