



Reimagining energy

for people and our planet

bp sustainability report 2022

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About our 2022 reporting

Since we launched our sustainability frame we have worked to further embed sustainability across bp. We have also made progress in a number of areas, which are covered in this report.

Our corporate reporting suite for 2022 comprises several elements, including this report. You may also be interested in:

-  bp.com/quickread
-  bp.com/sustainability
-  bp.com/reportingcentre
-  bp.com/ourreporting
-  [bp Annual Report 2022](https://bp.com/AnnualReport2022)
-  [Net zero ambition progress update](#)
-  [ESG data sheet](#)

How to navigate this report

-  Another page of this report
-  An online reference
-  Definitions in the glossary, [pages 59-60](#)

Deloitte has assured selected key performance indicators (KPIs) in this report. Their statement is on page 61.

 Read more about the KPIs that have been assured: bp.com/basisofreporting

Our sustainability frame

Our purpose is reimagining energy for people and our planet. Our sustainability frame translates our purpose into action and underpins our strategy to become an integrated energy company.

This report covers our performance against our net zero, people and planet aims. It also sets out our broader approach to sustainability through two lenses: our strong foundations built over many years and our ongoing work to embed sustainability more deeply across bp.

Our aims and objectives

Sustainability at bp is about creating value by connecting the business opportunities of the energy transition with our aims.

Our approach

Our beliefs and foundations

Our approach to sustainability helps us do the right thing on safety, greenhouse gas emissions, human rights, biodiversity, and other social and environmental factors.

Embedding into our DNA

We are working to embed sustainability more deeply into our culture, decision making, governance, systems, and processes, see [pages 8-15](#).

Engaging stakeholders

We learn through ongoing engagement with our many different stakeholders and work with them to deliver our aims, see [pages 52-55](#).



Our sustainability aims

- | | |
|---------------------------------------|--|
| 1 Net zero operations | |
| 2 Net zero production | |
| 3 Net zero sales | |
| 4 Reducing methane | |
| 5 More investment into transition | |
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| | |
| 16 Enhancing biodiversity | |
| 17 Water positive | |
| 18 Championing nature-based solutions | |
| 19 Unlock circularity | |
| 20 Sustainable purchasing | |

Our strategy and performance

Our strategy is to become an integrated energy company. We believe we are equipped to deliver energy security and affordability today, and to accelerate the energy transition.

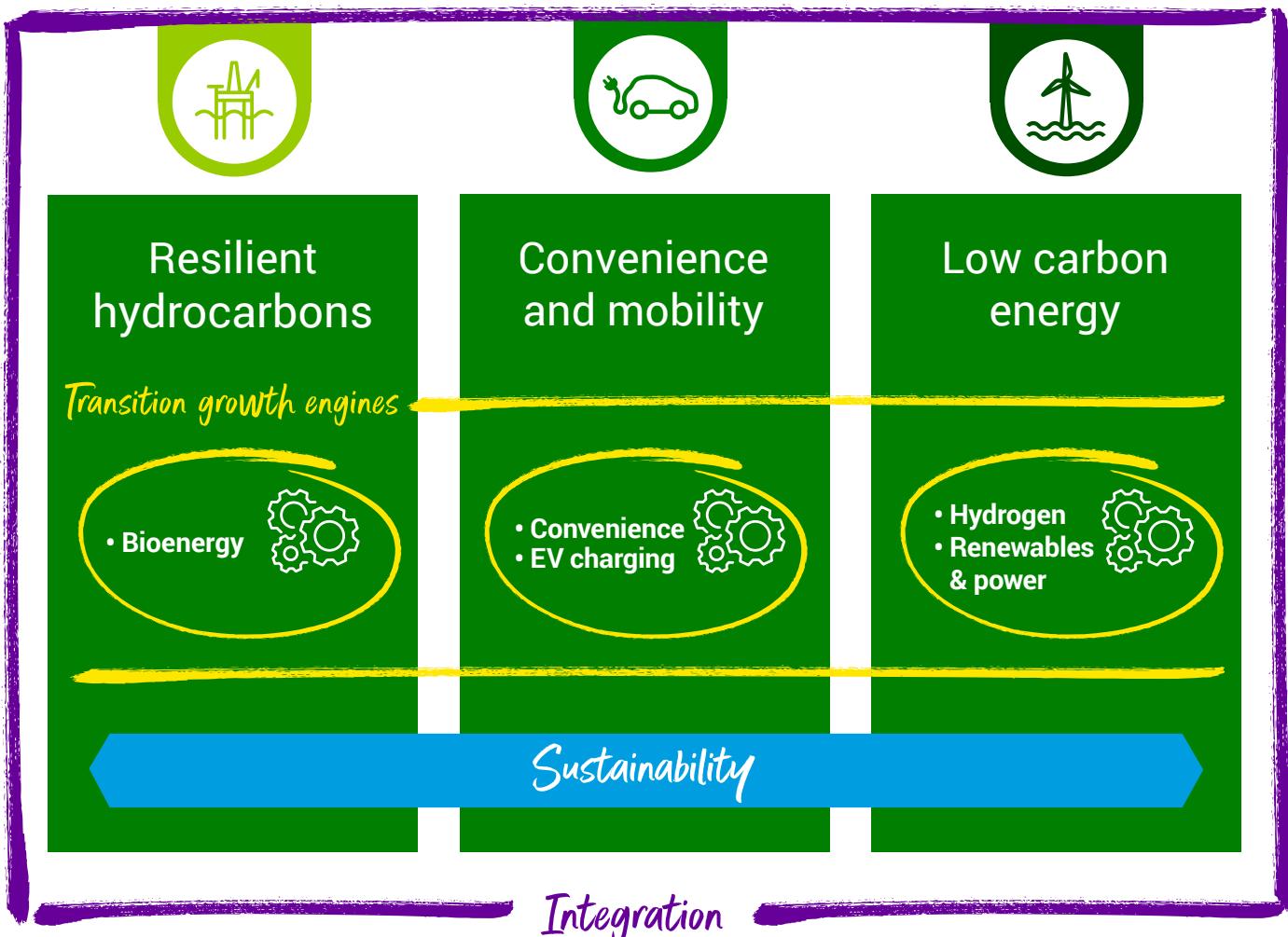
Our three-pillar strategy is focused on investing in our transition growth engines and, at the same time, investing in today's energy system. And integration connects it all.

Sustainability

Embedded across our strategy is our sustainability frame, which sets out our aims for getting to net zero, improving people's lives and caring for our planet.

Integration

Connecting our strategic focus areas together is integration. We believe we are distinctively set up to create integrated energy solutions for customers and generate attractive returns.



Read more: bp.com/strategy

A changing world, a *changing company*



A lot has happened in the time since we set a new direction for the company in 2020. The COVID-19 pandemic, the Russia-Ukraine war, a cost-of-living crisis – and following the terrible earthquakes in Türkiye and Syria our thoughts have been with colleagues and all those affected. We are helping where we can, supporting agencies, supplying fuels, and donating \$5 million to the humanitarian relief efforts.

Throughout this time, our core job has been to focus on performing while transforming – keeping energy flowing and delivering for our shareholders, and at the same time investing in our transition and the energy transition. We have supercharged our bioenergy ambitions by acquiring Archaea Energy, a leading US producer of renewable natural gas. We have tripled the size of our global network of EV chargers since 2019. We now have businesses in hydrogen and in offshore wind, and increased our renewables pipeline★ by 14 gigawatts, to 37 gigawatts, in 2022. Our refineries in Germany and Spain now have units producing sustainable aviation fuel. And, since 2019 we have reduced emissions while bringing on new oil and gas energy supplies. That is change – at scale. In just three years, annual investment in our transition growth engines – bioenergy, convenience, EV charging, hydrogen, renewables and power – has gone from 3% to 30% of total bp capital investment spend.

Safety first

Nothing is more important than safety, it is core to who we are as a company. We want zero accidents, zero people hurt – that will always be our goal. And our progress on safety in some areas continues – we saw 19% fewer tier 1 and tier 2 process safety events in 2022 compared to 2021. But we also have challenges. Tragically, four people lost their lives while working for bp last year, and a pedestrian was killed in a collision with one of our vehicles. We continue to focus on

the culture of care for others that is key to people looking after each other, and on continuing to improve the effectiveness of our safety processes and procedures.

A faster but orderly transition

One thing clearer than ever since 2020, is that the world wants and needs a better and more balanced energy system – one that delivers energy that is secure and affordable as well as lower carbon – all three – what's known as the energy trilemma. To tackle this massive challenge, action is needed to accelerate the energy transition and – at the same time – to make sure that rapid transition is balanced and orderly, so that affordable energy keeps flowing where it's needed today.

bp's integrated energy company strategy very deliberately sets us up to help on both counts – and in February 2023 we leaned further into it. We plan to invest an additional \$8 billion by 2030 into our transition growth engines including EV chargers and sustainable aviation fuels that can help people and businesses decarbonize sooner. Our cumulative investment in these transition growth engines is expected to be in a range of \$55–65 billion between 2023 and 2030. And we plan to invest an additional \$8 billion into high-quality oil and gas options that we can deliver quickly. And where we can, we will do this using our existing infrastructure to allow us to minimize additional emissions and maximize both value and our contribution to energy security and affordability.

The right direction

With three years of experience and delivery under our belt, we have increased confidence that the direction we set is the right one. Overall, we remain focused on our net zero★ ambition and the flexibility and resilience in our strategy is allowing it to respond to change while remaining consistent with the Paris goals. As you'll see throughout this report, and as Giulia says in her letter, we are making progress. The company is performing well and the strategy – underpinned by our sustainability frame – is working.

We have much more to do – and we have an awesome team that wants to do more to help. In our annual engagement survey, employees tell us they have never been prouder of bp – and I could not be prouder of them.

Thank you for your support and challenge, and as always, I welcome your feedback.

Bernard Looney
Chief executive officer
March 2023

For terms with ★ refer to the glossary on [pages 59–60](#).

Bringing our *strategy* to life

I am pleased to see how much progress we have made, despite a year of stark challenges for the world. We are embedding sustainability in the way we do business. We are in action on the aims we set ourselves for net zero, people and planet – with some tangible results.

To all our teams, partners and suppliers – everyone we have worked with in 2022, thank you. We are building momentum as we pursue our 20 aims.

In action on our net zero aims

Focusing on our aims for getting bp to net zero★:

- On aim 1 (net zero operations★) – by the end of 2022 we achieved a 41% cut in Scope 1 and 2 absolute emissions compared to 2019.
- On aim 2 (net zero production★) the absolute emissions from the carbon in our upstream oil and gas production were 15% lower, compared to 2019. Following our update on strategic progress in February 2023, we made an adjustment to our aim 2 (net zero production). Compared to 2019 we are now targeting a 10-15% reduction by 2025 (previously 20%) and are aiming for 20-30% reduction by 2030 (previously 35-40%). We also expect to produce around 2 million barrels of oil equivalent a day by 2030 – around 25% lower than 2019.
- On aim 3 (net zero sales★) our target for 2025 is a 5% reduction in carbon intensity and we have now reached 2%, compared to 2019.
- On aim 4 (reducing methane) – our methane intensity★ (based on existing reporting methodologies) decreased from 0.14% in 2019 to 0.05% in 2022; and we are on track to deliver enhanced methane measurement technology and solutions at all our existing major oil and gas sites by the end of 2023.

- Aim 5 now covers our transition growth investment★. As Bernard said, in just three years, the proportion of our annual investment in these transition growth engines has grown tenfold.

We also made progress in our aims 6-10 to help the world get to net zero, including advocating for policies that support net zero. We actively supported many of the climate and energy related provisions in the US Inflation Reduction act, which has now passed into law.

In action on our people aims

We have five aims to improve people's lives and throughout 2022 have taken steps to further embed social sustainability, including assessing conformance with the bp human rights policy (aim 12) and launching a social mobility framework for action (aim 14).

We became the first major energy, mobility and convenience employer to be accredited as a living wage employer in the UK (aim 13: sustainable livelihoods). A fair wage is one that meets an employee's basic needs. In our global review of our businesses in 2022 we confirmed that all our employees were being paid a fair wage.

Outside bp, our approach is socially inclusive and seeks to benefit the communities we work with (aim 12: just transition). We want to build stronger relationships, encourage mutual trust and help the local workforce to develop skills for the future energy system. In Scotland, we have invested over £1 million with our partner EnBW to support training and reskilling in the offshore wind industry.

In action on our planet aims

We have made progress across all our planet aims in 2022, including site-based water assessments at our Castellón refinery in Spain (aim 17) and we launched our new circularity framework and waste metrics, to help guide bp businesses to identify opportunities for circularity (aim 19).

We are also working to restore, maintain and enhance biodiversity where we operate (aim 16). In 2022 we introduced our net positive impact methodology and are putting it into practice in several new projects, including a pipeline replacement in an area of high biodiversity in Trinidad. Our restoration projects include seagrass and coral reefs in Tobago, ecosystems in Türkiye and biodiversity in the Ajameti Managed Reserve in Georgia.

More to do

I am proud to be part of a remarkable team at bp and of what they have achieved so far. We know there is much more to do, but we have plans in place, a distinctive framework to support them and growing confidence in bp's transformation into an integrated energy company – with sustainability at its core.

Giulia Chierchia

EVP, strategy, sustainability & ventures
March 2023



For terms with ★ refer to the glossary on [pages 59-60](#).

2022 at a glance

A snapshot of our scale and reach, and our performance against our strategy.

About bp

We are a global business, with operations in Europe, North and South America, Australasia, Asia and Africa – through which we deliver energy products and services to our customers. We are increasingly focusing on doing this in ways that help drive the transition to a lower carbon future.

Employees
67,600

(2021 65,900)

Countries of operation
62

(2021 >65)

Underlying replacement cost (RC) profit*
\$27.7bn

(2021 \$12.8bn)

Our performance



Resilient hydrocarbons

Upstream production^a

2.3mmboe/d

(2021 2.2mmboe/d)

Biofuels production*

27kb/d

(2021 26kb/d)

bp-operated hydrocarbon plant reliability

96%

(2021 94%)



Convenience and mobility

Customer touch points per day*

(2021 >12m)

~12m

Strategic convenience sites

2,400

(2021 2,150)

Electric vehicle charge points*

~22,000

(2021 13,100)



Low carbon energy

Developed renewables to FID*

5.8GW

(2021 4.4GW)

Installed renewables capacity net*

2.2GW

(2021 1.9GW)

2030 aim

Hydrogen production net

0.5-0.7Mtpa

Value creation

We create value for society in many different ways: through our products and services and as an employer, taxpayer, supply chain participant and investor in local communities. Our sustainability frame guides our decisions and actions so that our focus areas of getting to net zero, improving people's lives and caring for our planet become increasingly integral to how we create value.

Total economic value generated by bp

\$246.7bn

(2021 \$167.1bn)

Payments to suppliers

\$174.0bn

(2021 \$122.2bn)
sourcing goods and services

Dividends

\$4.4bn

(2021 \$4.3bn)
dividends distributed to bp shareholders

Taxes to governments

\$12.5bn

(2021 \$5.4bn)
contributing to economies through the taxes we pay

Benefits paid to employees

\$9.6bn

(2021 \$8.9bn)
providing jobs for 67,600 people worldwide

^a Relative to 2019, we expect our hydrocarbon production to be around 25% lower by 2030, reflecting active management and high-grading of the portfolio, including divestment of non-core assets.
For terms with ★ refer to the glossary on [pages 59-60](#).

2022 sustainability highlights

Since launching our net zero aims in 2020 and our people and planet aims in 2021, we have been in action to deliver them. In 2022 we made progress across these three focus areas – as described in detail in this report.

Getting to net zero

Net zero operations

41%

reduction in absolute emissions against the 2019 baseline, see [page 22](#).

Reducing methane

0.05%

methane intensity★(calculated using our existing methodology),
see [page 27](#).

Transition growth investment★

\$4.9bn

up from \$2.4 billion in 2021 against aim 5 activities (transition growth investment) on an equivalent basis, see [page 28](#).

Improving people's lives

More clean energy

5.8GW

developed renewables to FID★, see [page 38](#).

Just transition

>£1m

committed to X-Academy in Scotland for a reskilling initiative
(as part of our JV with EnBW), see [page 39](#).

Sustainable livelihoods

All employees

paid a fair wage worldwide in 2022, see [page 40](#).

Caring for our planet

Enhancing biodiversity

Biodiversity restoration

Supported biodiversity projects in Georgia, Türkiye and Trinidad and Tobago, see [page 47](#).

Water positive

Improving water efficiency

First water efficiency assessment completed, see [page 48](#).

Unlock circularity

Circularity framework

launched to support all bp businesses, see [page 50](#).

For terms with ★ refer to the glossary on [pages 59-60](#).



Our approach



Whiting refinery, Indiana, US

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Our approach: foundations and embedding sustainability

Our approach to sustainability is targeted, systematic and collaborative. It rests on strong, well-established foundations that guide the way we work. These foundations support our aims, which focus our efforts where bp can make the greatest difference for people and our planet. We are working to embed sustainability more widely and deeply in our culture, business decisions, processes and governance.

'Who we are'

In 2022 we launched 'Who we are' – setting out our three key beliefs and nine descriptors of how we work. 'Who we are' defines what we stand for, building on our best qualities and the things that are most important to us. It articulates how we expect everyone at bp to work and underscores the fact that safety always comes first.

Our three key beliefs are defined as Live our purpose, Play to win and Care for others. 'Who we are' also encapsulates making a positive impact, doing the right thing and having a speak up culture. It is now integrated into our updated code of conduct (our code), and is already guiding our approach to recruitment, assessment, development, performance management and reward.

 Read more: bp.com/whowear

Our code of conduct

Our code sets the standards and expectations for how we do the right thing and also empowers our people to speak up without fear of retaliation. It puts safety first, and together with our safety leadership principles and operating management system (OMS), helps us make safe and ethical decisions, act responsibly and comply with applicable laws.

We refreshed our code in January 2023, including updated content to incorporate our sustainability frame and 'Who we are'. The code also contains a new tool to help employees navigate difficult decisions.

Our code applies to all bp employees, officers and board members. Mandatory training and regular communications help employees understand how to apply it and how to raise questions or concerns.

Employees have a responsibility to speak up if they become aware of something that is unsafe, unlawful or inconsistent with our code. To make this easy, we provide several speak up channels, including line managers, ethics & compliance liaisons and our confidential global helpline, OpenTalk. Our code reinforces the importance of speaking up and of non-retaliation. It also provides an overview of the concerns management process.

All bp employees are required to confirm annually that they have read and understand our code and complied with its principles. We expect and encourage all our contractors and their employees to act in ways that are consistent with our code.

 Read more: bp.com/codeofconduct

Safety in 2022

At bp, safety comes first and is foundational to everything we do. We want to do better on safety performance and to help us do this we are making our OMS simpler, clearer and even more rigorous. These updates to our OMS will emphasize an even closer focus on human performance, our Safety Leadership Principles and the International Association of Oil & Gas Producers' (IOGP) Life Saving Rules.

The aim we set in 2021, to eliminate fatalities, life-changing injuries and tier 1 process safety events, provided the basis for our strategic focus in 2022, along with our work to embed a consistent safety culture.

We deeply regret that in 2022 four people lost their lives while at work for bp.

In February 2022 a contractor driving for Aral in Germany, lost his life in a vehicle collision on a highway.

In April 2022 a specialist tank contractor lost his life in an explosion while repairing a tank at an Aral retail site in northern Germany.

In September 2022 two bp employees lost their lives in a fire at our Toledo refinery in the US.

We have offered our condolences and support to the families and employees affected by these fatalities. We are taking action to learn from these incidents and drive improvements in safety.

Eliminating fatalities and life-changing injuries

We recognize the value of industry standardization and consistent rules in our aim to improve our safety performance – for example, the IOGP Life Saving Rules. We continued rolling out and embedding these rules across our operating businesses in 2022, to supplement our existing safety practices and strengthen our OMS. We will continue this process in 2023.

We also piloted the IOGP Process Safety Fundamentals, to improve awareness of process safety risks and highlight how our own processes can help us manage them.

Defining life-changing injuries

We have worked closely with IOGP to help develop our industry's first 'Permanent Impairment Injury' definition. We have adopted this definition and updated our systems and processes. Consequently, we are able to record and report actual and potential life-changing injuries from January 2023 onwards. This new metric will sharpen our focus on eliminating injuries that change lives irreversibly.

Our approach: foundations and embedding sustainability

Our safety culture

Our Safety Leadership Principles, which we refreshed in 2021, are designed to guide behaviour and ways of working across bp to drive a robust, consistent safety culture. Our Safety Leadership Principles are:

- We genuinely care about each other.
- We will not compromise our focus on safety.
- We encourage and recognize the need to speak up.
- We understand how work actually happens.
- We learn why mistakes occur and respond supportively.

Our principles are guided by human performance. They help us enable a culture of care by understanding how people interact with their working environment, by recognizing that they can make mistakes and by doing all we can to keep them safe.

We review how people interact with equipment and systems, examining potential causes of stress and fatigue as well as the quality of our systems and procedures. Showing care about how work is being done and acting on concerns raised can help drive a learning culture, which can help us make the workplace safer. Through our work on diversity, equity and inclusion and through our code, we also support people to speak up about their safety concerns.

Personal safety

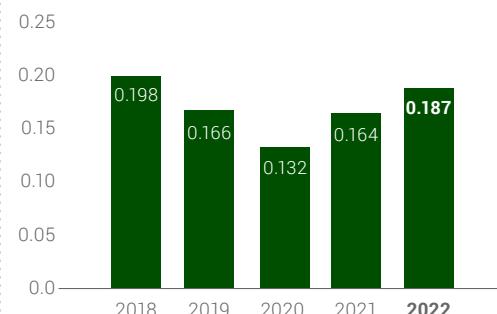
In addition to the fatalities reported for 2022, we recorded an increase of 14% in our recordable injury frequency (RIF) and an increase of 34% in our days away from work case frequency (DAFWCF), compared with 2021. We attribute this to an increase in the number of hand or ankle injuries suffered by retail employees in our customers & products (C&P) business. We have implemented a safety intervention plan in C&P, based on the number and nature of both personal and process safety incidents.

In our production & operations business, RIF and DAFWCF decreased compared with 2021. We attribute this to our sustained effort to improve safety, including our work on safety leadership, safety culture and human performance.

We expect to see further performance improvements as we roll out and embed the Life Saving Rules across bp.

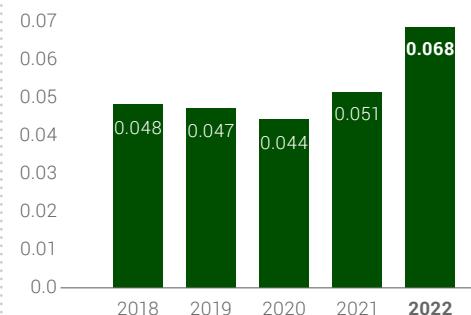
Recordable injury frequency^a

(workforce per 200,000 hours worked)



Days away from work case frequency^b

(workforce per 200,000 hours worked)



Process safety

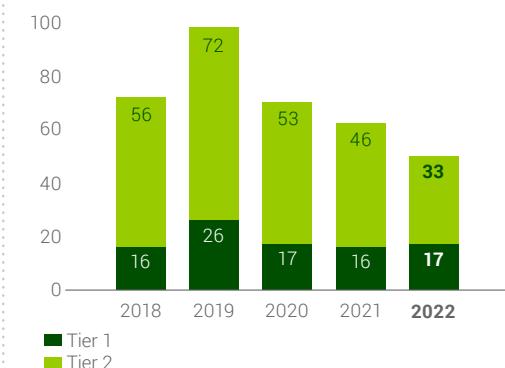
Our combined process safety events (PSEs) have generally decreased over the last 10 years, apart from in 2019. This downward trend continued in 2022, with 12 fewer (19%) reported than in 2021, due to a 28% reduction in tier 2 PSEs.

Although portfolio changes may effect the overall baseline of our operations, our goal continues to be the elimination of tier 1 PSEs.

We identified areas for improvement in process safety for refining and production, including mechanical integrity and the need to follow procedures. On this basis we have taken action to further strengthen our OMS process safety barriers. These barriers comprise physical or non-physical means to prevent, control or mitigate accidents, and consequently improve our safety performance.

Process safety events^c

(number of incidents)



^a The number of reported work-related incidents that resulted in a fatality or injury.

^b The number of incidents that resulted in an injury where a person was unable to work for a day (or shift) or more.

^c Tier 1 events are losses of primary containment from a process of greatest consequence – causing harm to a member of the workforce, damage to equipment from a fire or explosion, a community impact or exceeding defined quantities (per API RP 754 tier 1 definitions). Tier 2 events are those of lesser consequence (per API RP 754 tier 2 definitions).

Our approach: foundations and embedding sustainability

Spills and spills prevention

We have made progress in preventing and reducing spills over many years, driven by risk management, investigations, work on process safety (including a focus on mechanical integrity) and control of work improvements. In 2022 there were 108 oil spills^a compared with 121 in both 2021 and 2020.

Our operating sites collaborate to share good practice and our central team ensures serious or complex incidents are thoroughly investigated and systemic gaps closed as soon as possible.

 Read more: bp.com/ESGdata

Ethics and compliance

To maintain and build trust in bp, our employees commit to working to a consistent set of high standards, set out in our code of conduct.

 Read more about our code on [page 8](#).

Anti-bribery and corruption

Managing bp's key enduring risks, including our exposure to bribery and corruption, is essential. We operate in parts of the world where bribery and corruption present a high risk, so it is important to inform our employees, contractors, suppliers, and others, that our commitment to ethical and compliant operations is unwavering.

Our code explicitly prohibits engaging in any form of bribery or corruption and includes an expectation that we work to ensure our business partners comply with our requirements.

Our group-wide anti-bribery and corruption, anti-money laundering and anti-tax evasion policies and related procedures all include measures and guidance to assess and mitigate risks, understand relevant laws and report concerns. They apply to all bp-operated businesses, and were updated during 2022. Where bp is not the operator, we have processes in place to manage our interests, including guidance to help bp asset managers influence operators in line with our expectations.

We provide appropriate training for employees in locations or roles assessed to be at a higher risk of bribery and corruption. Around 7,500 employees completed anti-bribery and corruption training in 2022 as part of our ethics and compliance risk-based learning. This is lower than the 12,700 employees trained in 2021, due to the cadence for assigning training based on exposure to ethics and compliance risk.

We assess our exposure to bribery and corruption risk when working with suppliers and business partners. If appropriate, we put in place a risk mitigation plan and will choose not to work with a counterparty, or to reject tenders, if we conclude that the risks are too high. We also conduct anti-bribery compliance audits on selected suppliers when contracts are in place.

We take corrective action with suppliers and business partners who fail to meet our expectations. This action may include terminating contracts.

We are a founding member of the Extractive Industries Transparency Initiative (EITI) and support its anti-corruption efforts. Through the disclosure of government revenues and other relevant information, EITI can help to mitigate corruption risks in the extractive sector and support local anti-corruption efforts. In 2022 we supported EITI activities through multi-stakeholder groups in Trinidad and Tobago, Mauritania and Senegal.

Revenue transparency and payments to government

We support transparency about the flow of revenue from our oil and gas activities to governments through EITI, which supports the disclosure of payments made to, and received by governments in relation to oil, gas and mining.

Political donations

We prohibit the use of bp funds or resources to support any political candidate or party. We recognize the rights of our employees to participate in the political process and these rights are governed by the applicable laws in the countries where we operate. Our stance on political activity is set out in our code.

In the US we provide administrative support for the bp employee political action committee (PAC) – a non-partisan, employee-led committee that encourages voluntary employee participation in the political process. All bp employee PAC contributions are weighed against the PAC's criteria for candidate support, reviewed for compliance with federal and state law, and publicly reported in accordance with US election laws.

^a The number of accidental or unplanned losses of hydrocarbon from primary containment from a bp or contractor operation, irrespective of any secondary containment or recovery. Oil spills > 1bbl are defined as any liquid hydrocarbon release of more than, or equal to, one barrel (159 litres, equivalent to 42 US gallons).

Our approach: foundations and embedding sustainability

Tax transparency

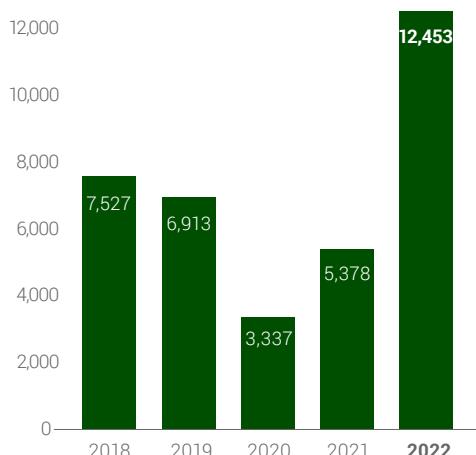
We take a responsible and transparent approach to tax and work to create open, constructive relationships with governments and tax authorities.

Our responsible tax principles align with our code, our beliefs and supporting behaviours, and The B Team responsible tax principles, which we have adopted in full. We comply with the tax legislation of the countries where we operate and we do not tolerate the facilitation of tax evasion by people who act for or on behalf of bp.

In 2022 higher energy prices led to governments implementing windfall taxes on energy producers and suppliers, who benefited from the higher prices. The UK introduced the energy profits levy, increasing the taxes we pay on our North Sea profits from 40% to 65% in 2022 and to 75% in 2023. The EU introduced a solidarity contribution for 2022-23 on production and refining activities.

Taxes paid to governments^a

(\$ million)



^a Comprises corporate income and production taxes.

As our taxes are largely based on profits, if we make more profits we rightly pay more tax. We are paying significantly more as a result of these new windfall taxes.

[Read more: bp.com/tax](http://bp.com/tax)

Employee concerns and enquiries

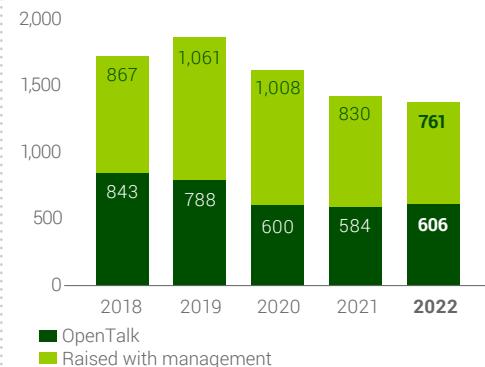
Everyone who works for bp has a responsibility to speak up if they become aware of something that is unsafe, unlawful or inconsistent with our code. We encourage people to speak up because we want to learn why mistakes happen and respond supportively. We do not tolerate retaliation of any kind and consider it to be misconduct.

Any concerns or enquiries can be raised through multiple speak up channels. These include line managers, senior leaders, contacts in our people & culture, ethics & compliance and legal teams, works councils, or our confidential global helpline, OpenTalk. This helpline is available 24/7 in more than 75 languages, by phone or internet, to employees, the wider workforce, communities, business partners and other stakeholders who want to raise a concern. In most locations, anyone has the right to contact OpenTalk anonymously. In July 2022 we launched a QR code for use on mobile devices to make it easier to contact OpenTalk.

More than 1,350 concerns and enquiries were reported in 2022, around 3% fewer than in 2021 (more than 1,400 concerns and enquiries). However, concerns reported per 100 employees in 2022 was unchanged at 2.5.

As in 2021 the most frequently raised concerns related to bullying, harassment and discrimination, with these accounting for nearly half of all concerns. The second most common issue was alleged fraud.

Total number of concerns and enquiries raised



In 2022 around 50 separations resulted from non-conformance with our code or unethical behaviour. This total excludes exits of contractors, vendors and staff employed at our retail stations.

Our people

Our people are crucial to delivering our purpose and strategy. We focus on providing the support and skills they need to thrive and help bp succeed.

In 2022 we continued our work to build skills forecasts and implement capability plans across bp, including those for our transition growth engines such as hydrogen, offshore wind, digital and our electric vehicle charging business, bp pulse. We are building new capability plans for global business services, convenience and fleet, which we plan to finalize in 2023.

To implement these capability plans, we are developing our in-house talent (including targeted reskilling campaigns) and recruiting externally. This two-pronged approach helps us meet demand for roles in which we anticipate significant skills shifts, or where there is a critical need to close large skills gaps due to business evolution. This work is also integral to our aim 12 to support a just transition.

[Read more about our aim 12, just transition, on page 39.](#)

Global sustainability network

Our global sustainability network (GSN), launched and run by employees, now has more than 5,700 members across 60 countries.

In 2022 the GSN ran numerous local events and several global learning events. They also connected members to sustainability projects that can help them build their personal capabilities while also supporting delivery of our sustainability frame. They focus on a number of topics, for example, identifying opportunities to add value for bp through circularity, innovation in natural climate solutions, implementing sustainable design and growing bp's overall sustainability capability.

Our approach: foundations and embedding sustainability

Developing our people

In 2022 bp employees collectively completed more than 1.1 million hours of formal learning (2021 750,000 hours). This learning takes place within a development frame, applicable to all employees, which covers safety, technical depth, future skills (such as digital and sustainability) and leadership. Our development offer and training portfolio also includes a rigorous mandatory curriculum focused on compliance with applicable laws and regulations and conformance with our internal standards.

We strengthened our development offer throughout 2022 as we evolved to meet the demands of the energy transition.

- We launched a new global learning platform, grow@bp, which gives our employees access to a wealth of learning content through a single point of access. This provides learning pathways that build employees' knowledge of the energy transition and our sustainability aims, including 'sustainability at bp', which is now one of our most utilized pathways.
- We added new learning resources to our 'Net Zero + Me' training, which explains how employees can contribute to our net zero ambition.
- We ran two successful growth weeks to promote our learning culture and highlight the skills we will need in future – with around 25,000 participants across more than 60 countries. Sustainability was a focus area in both growth weeks with sessions from internal and external sustainability experts to build employees' awareness and capability.

Education, employability and skills development

Through our education and employability initiatives, we invest to develop future talent. This helps to increase the availability of the skilled people the world needs to advance the energy transition and builds on our work to promote science, technology, engineering, and mathematics skills.

Much of this work is focused on supporting social mobility in disadvantaged communities. In 2022 we expanded our social mobility framework for action to improve the representation, inclusion, retention and advancement of employees from socioeconomically diverse backgrounds.

 [Read more about social mobility on page 43.](#)

Monitoring employee sentiment

We measure employee sentiment through our 'Pulse' annual survey, sent to all eligible employees, and through our 'Pulse Live' survey, sent to a representative sample of around 8% of employees weekly.

Record employee engagement

Results from the 2022 'Pulse' annual survey showed pride in working for bp is at the highest level on record, increasing to a record 78%. Employee engagement also increased to 70%. Both numbers are notable given that participation was the highest since the survey began, with an 80% response rate.

We continue to build engagement plans based on survey feedback and on real-time updates from our monthly snapshot.

Policies and practices

Our policies and practices set out expectations for how we manage environmental and social performance during our activities. They already include environmental and social requirements, which form the foundation for many of our sustainability aims.

As we continue our work to embed sustainability, we are reviewing and updating our relevant practices to reflect our sustainability frame, our aims and our ways of working.

Our operating management system

Our OMS provides a single framework for delivering safe, reliable and compliant operations. It includes environmental and social requirements related to our sustainability frame. These requirements apply to businesses over which bp has operational control. We are updating our OMS in 2023, incorporating revised requirements that support delivery of our sustainability frame and aims.

All our major operating sites attest or certify to ISO 14001, in line with our OMS requirement^a.

Social

Our code and OMS contain requirements and guidance about the need to respect the rights of workers and community members. Our OMS requires projects to identify, engage and consult with affected people and to seek feedback on our proposed or actual activities, potential impacts and mitigation measures. In 2022 an internal review of our operated activities found a high level of conformance with our community requirements.

Human rights policy – Our human rights policy aligns with the UN Guiding Principles on Business and Human Rights. It is underpinned by the International Bill of Rights and the International Labour Organization's Declaration of Fundamental Principles at Work, including its Core Conventions. Our policy also details our intention to obtain independent third-party assessments of selected sites and business activities on a risk prioritized basis, to assess their conformance. We started these assessments in 2022.

Labour rights and modern slavery – We publish our labour rights and modern slavery (LRMS) principles online.

Indigenous peoples – A number of bp-operated businesses are located in countries where indigenous peoples live, including Indonesia, Australia and the US. We seek to apply the principles of free, prior and informed consent where practical when consulting and engaging with indigenous peoples about new projects (ideally including before the commencement of activities) – recognizing their human rights and respecting their sensitivities concerning livelihoods, land, environment and culture. Our internal requirements for projects and operations reflect our human rights policy.

 [Read more on page 39.](#)

 [Read our human rights policy and LRMS principles: bp.com/humanrights](#)

 [Read our modern slavery and human trafficking statement: bp.com/modernslavery](#)

^a Our Mauritania and Senegal gas business will become a major operating site once operational, after which they will look to attain ISO certification or attestation as per our OMS requirement.

Our approach: foundations and embedding sustainability

Environmental

bp environmental policy – Our environmental policy is established through relevant elements of our code, in particular the sections on 'safety and sustainability' and 'our responsibility and how we speak up'. The policy is supported by relevant aspects of our commitment to health, safety, security and environmental performance, our sustainability frame, our biodiversity position and our internal group requirements and guidance, including those that form our OMS.

 Read more: bp.com/environmentalpolicy

Biodiversity and protected areas – Our biodiversity position builds on robust practices already in place to manage biodiversity across bp projects. We are committed not to operate any new oil or gas exploration or production activities inside natural or cultural UNESCO World Heritage sites, or in Strict Nature Reserves and Wilderness Areas as listed on 1 January 2020 and defined by the International Union for Conservation of Nature (IUCN).

We review this commitment periodically and engage with UNESCO, the IUCN and the UNEP World Conservation Monitoring Centre. In our protected areas update we report on the number and overlap of our major operating sites in or near to protected areas and key biodiversity areas.

 Read more: bp.com/protectedareas

 Read more: bp.com/biodiversityposition

In 2022 we carried out project activities in international protected areas in the context of both the UK Net Zero Teesside project and the French Frontignan Terminal sealines decommissioning project. In line with our environmental practices, the project teams identified and assessed the environmental risks and mitigation measures necessary to avoid and reduce the projects' impacts.

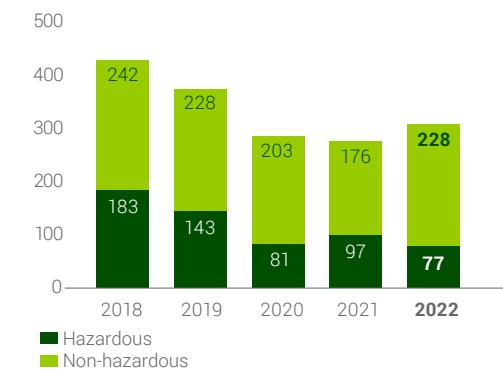
 Read more about our aim 16, enhancing biodiversity, on page 47.

Waste – We adopt a lifecycle approach to waste management, with a goal of avoiding, reducing and reusing waste from our operations. We disposed of around 305kt of hazardous and non-hazardous waste in 2022, a 13% increase from 2021 (270kt).

 Read more about waste streams on page 50.

Waste disposed

(kt)

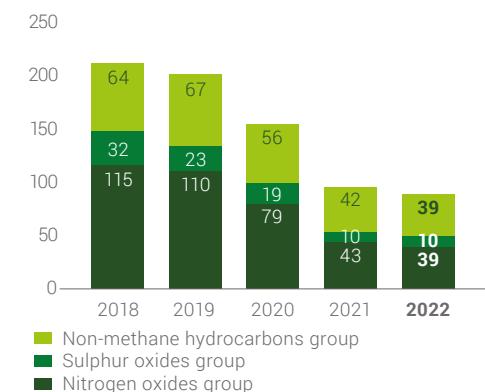


Air emissions – We monitor our air emissions and where possible, put measures in place to reduce the potential impact of our operational activities on local communities and the environment. In 2022 our total air emissions decreased by 9% compared with 2021.

bp energy contributed to this decrease by reducing its non-methane hydrocarbon emissions by 4% through various interventions including electrification, compressor optimization and flaring reduction projects.

Air emissions

by substance (kt)



Water – Our businesses actively manage our fresh water demands in areas of stress and scarcity, based on analysis carried out using the World Resources Institute Aqueduct Global Water Risk Atlas.

 Read more about our aim 17, water positive, on page 48.

 Find more environmental and social data: bp.com/ESGdata

Workplace design and operations

We are embedding sustainability into our workplace approach through the design and operation of our global workplace portfolio. We aim to develop and operate safe and sustainable workplaces that enhance ways of working and support the delivery of our sustainability frame. In 2022 we moved into a LEED Platinum office in Madrid and achieved LEED Gold at our Pune office in India.

Our approach: foundations and embedding sustainability

Supplier expectations

We want to work with suppliers who strive for sustainability in their supply chains. We try to develop and strengthen relationships with suppliers who are committed to and act in accordance with our code of conduct.

 Read more about sustainable purchasing on page 51.

 Read more: bp.com/supplierexpectations

Influencing non-operated joint ventures

We have processes for managing our interests in non-operated joint ventures (NOJV), including ways to encourage sustainability. One example is our eight essentials framework – a system that guides our NOJV portfolio managers in their relationships with NOJVs. The eight essentials framework is accessible through a dedicated centre of expertise.

In 2022 our engagement on sustainability frame issues with NOJVs focused on net zero operations, methane emissions, biodiversity and human rights, using a variety of approaches including seminars, board resolutions and support for target setting. We believe these activities can help us to become more robust and consistent in our efforts to influence NOJVs on sustainability issues.

Identifying and managing risk

bp manages, monitors and reports on principal risks and uncertainties identified as having the potential to impact our ability to deliver our strategy. Management, the leadership team, the board and relevant committees provide regular oversight of how principal risks to bp are identified, assessed and managed. In 2022 risks discussed included climate change and the transition to a lower carbon economy, strategic and commercial risks such as financial liquidity, prices and markets, safety and operational risk including process safety, personal safety and environmental risks, compliance and control risks such as ethical misconduct and changes in law and regulation.

bp's holistic system of internal control includes policies, processes, management systems, organizational structures, culture and standards of conduct employed to manage our business and associated risks.

The group operations risk committee provides oversight of safety and operational risk management for the group, including risks relating to sustainability. Our operating businesses identify and manage risk, using our OMS. We also monitor how risk is managed in NOJVs.

We are continuing to integrate sustainability risks into our risk management processes; building on both the labour rights and modern slavery risk assessments that are already in place and our work on climate-related risks.

 Read more about how we manage risk on pages 69-75 of the [bp Annual Report 2022](#).

Managing climate-related risk

The bp leadership team and board review the group's principal risks and uncertainties annually. Climate change and the transition to a lower carbon economy has been identified as a principal risk, covering various aspects of how risks associated with the energy transition could manifest. Physical climate-related risks such as extreme weather are covered in our principal risks related to safety and operations.

Climate-related transition risks and opportunities

At a group level, we have identified three broad, material climate-related transition risks and opportunities:

- The value of our hydrocarbon business could be impacted by climate change and the energy transition.
- Our ability to grow or deliver expected returns from our transition growth engines could be impacted by the energy transition.
- Our ability to implement our strategy could be impacted by evolving attitudes towards the energy sector and climate change and the energy transition.

Climate-related physical risks

The physical risks identified across bp primarily relate to severe weather and often represent potential for increased drivers for safety and operational risks to our operations.

We have identified the potential for changes in the availability of freshwater, including as a result of climate change, as a risk to some of our operations. We recognize that we could also face other forms of physical climate-related risk over the longer term, for example associated with changes in sea level rise, extreme temperatures and flooding, which could impact our operations.

 Read more: [bp.com/TCFD](#)

 Read more on pages 50-62 of the [bp Annual Report 2022](#).

Our approach: foundations and embedding sustainability

Sustainability in our processes

We are embedding sustainability into our processes, including our wider governance structure and practices, building on work done over many years. In January 2021 we introduced a new sustainability structure that helps us do this.

 Read more on pages 50-51 of the bp Annual Report 2022.

Governance

The board is responsible for setting the strategy and for monitoring bp's management and operations as they work to execute strategic delivery against our targets and aims.

The board-level safety and sustainability committee (S&SC) oversees effective implementation of the sustainability frame and management of health, safety and environmental risks.

Oversight of sustainability matters is embedded through our executive-level group sustainability committee, chaired by our EVP, strategy, sustainability & ventures. The committee's remit is to provide oversight, challenge and support in the implementation of bp's sustainability frame and management of potentially significant non-operational sustainability (including climate-related) risks and opportunities.

At SVP level, the sustainability forum comprises representatives from each bp entity, provides feedback to the group sustainability committee and aims to deliver alignment and visibility of key sustainability issues.

Human rights governance

The S&SC has oversight of human rights, including modern slavery. Our group operations risk committee reviews progress on managing the potential operational and associated supply chain risks of modern slavery. Our human rights working group was consolidated into the sustainability forum from 1 January 2021.

 Read more: bp.com/humanrights

Planning and performance management

In 2022 all bp business groups and supporting functions developed sustainability plans, setting priority actions to support delivery of our aims. These plans will be managed alongside the annual business planning process, and a sustainability performance management approach has also been set within the group governance structure. Aims 1-5 were included in the planning and group business performance management processes across bp in 2022, including long-term planning and performance management updates to the bp leadership team.

For terms with ★ refer to the glossary on [pages 59-60](#).

Governance structure



Investment governance and evaluating consistency with the Paris goals

The board assesses capital allocation across the bp portfolio, including the level and mix of capital expenditures and divestments, strategic acquisitions, distribution choices and deleveraging, as well as reviewing certain investment cases for approval.

For capital investments above defined financial thresholds investment approval is conducted through the executive-level resource commitment meeting (RCM), which is chaired by the chief executive officer.

The CA100+ resolution★ requires bp to disclose how we evaluate the consistency of new material capex investments greater than \$250 million with the Paris goals. bp's evaluation was undertaken by the RCM for new material capex investments sanctioned – of which there were five in 2022. The outcome of this is included in the bp Annual Report 2022.

All investment cases must set out their investment merits and are considered against a set of balanced investment criteria. In 2022 we further embedded sustainability into our investment governance process by developing our sustainability assessment template, for use in all investment cases reviewed by RCM. The template provides information on a case's impact on our net zero aims 1-3, its expected GHG intensity, and significant impacts on, or contribution to, certain aims concerning people and planet. This helps to maintain the consistency of our investments with our strategy and sustainability aims.

 Read more on pages 28-31 of the bp Annual Report 2022.

Getting to net zero



bpx energy Grand Slam facility, Texas, US

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Performance and progress

4 Reducing methane

Reducing emissions

bpx energy has utilized electrification and centralized gathering infrastructure to reduce emissions, methane intensity and flaring intensity in its Permian basin operations.

The Grand Slam facility allows new well sites to be built without tanks, flares, compressors and other sources of emissions. In 2022 bpx connected more than 70 legacy wells to low-pressure gathering systems, with nearly half linked to Grand Slam. We are planning to connect further legacy sites in 2023.

Nearly all bpx's centralized facilities and connected wells use imported electricity with a lower carbon intensity as their primary energy source. Their operation, together with other emissions reduction work, has achieved positive results. Since 2019 bpx's Permian methane intensity has reduced from over 4% to under 1% and its flaring intensity has dropped from 16% to less than 0.5% in 2022.

Also contributes to:

1 Net zero operations

Our *net zero* ambition and aims

We launched our five aims to help the world get to net zero in February 2020, alongside five aims to get bp to net zero.

1

Net zero operations★

Net zero across our entire operations by 2050 or sooner.

2

Net zero production★

Net zero across the carbon in our upstream oil and gas production by 2050 or sooner.

3

Net zero sales★

Net zero across the energy products we sell by 2050 or sooner.

4

Reducing methane

Install methane measurement at all our existing major oil and gas processing sites by 2023, publish the data, and then drive a 50% reduction in methane intensity of our operations.

5

More \$ into transition

Increase the proportion of investment we make into our non-oil and gas businesses.

6

Advocating

More actively advocate for policies that support net zero, including carbon pricing.

7

Incentivizing employees

Incentivize our global workforce to deliver on our aims and mobilize them to become advocates for net zero.

8

Aligning associations

Set new expectations for our relationships with trade associations around the globe.

9

Transparency leader

To be recognized as an industry leader for the transparency of our reporting.

10

Clean cities and corporates

Our regions, corporates and solutions team is working to help countries, cities and corporations around the world decarbonize.

[Read page 31 for more](#)

[Read page 31 for more](#)

[Read page 32 for more](#)

[Read page 33 for more](#)

[Read page 34 for more](#)

For terms with ★ refer to the glossary on [pages 59-60](#).

Getting to net zero: introduction

Our destination is unchanged – to be a net zero company by 2050 or sooner, and to help the world get to net zero^a. We are aiming to be net zero across our operations, production and sales.

Since we launched our 10 net zero aims in 2020, we have been working to deliver them.

The unprecedented events of 2022 – the continuing COVID-19 pandemic, the war in Ukraine, an energy crisis and a cost-of-living crisis – are a reminder that a successful energy transition address security, affordability and lower carbon – the so-called energy trilemma.

We discuss these issues in the *bp Energy Outlook 2023*, which updates the 2022 Outlook to account for factors including the Russia-Ukraine war and the passing of the US Inflation Reduction Act. The scenarios in the Outlook explore some of the possible pathways that the transition could take up to 2050 and help to inform our core beliefs about it.

These beliefs include:

- The carbon budget is running out. Despite the marked increase in government ambitions, CO₂ emissions have increased every year since the Paris COP in 2015 (except for 2020).
- The disruption to global energy supplies and associated energy shortages caused by the Russia-Ukraine war increases the importance attached to addressing all three elements of the energy trilemma: security, affordability, and lower carbon.
- The structure of energy demand will continue to change, with fossil fuels declining and being replaced by a growing share of renewable energy and by increasing electrification.

- The transition to a low carbon world requires a range of other energy sources and technologies, including low carbon hydrogen, modern bioenergy and carbon capture, use and storage.

 [Read more: bp.com/energyoutlook](https://bp.com/energyoutlook)

Our net zero targets and aims

Since 2020 we have made the following updates:

- We now aim for a 50% reduction in our operational Scope 1 and 2 emissions in 2030 (formerly 30-35%).
- For aim 3 we are aiming to reduce to net zero the average carbon intensity of sold energy products★ by 2050 or sooner (previously a reduction of 50%). For 2030 we are aiming for a 15-20% reduction in the lifecycle carbon intensity of these products (previously >15%). We also expanded aim 3 to include physically traded energy products★.
- Our aim 5 is now aligned with our transition growth engines (see [page 28](#)). This means we expect to invest more than 40%, or \$6-8 billion of our capital expenditure★ in transition growth engines by 2025 and around 50% by 2030 – or \$7-9 billion.
- For aim 2 we are now targeting a 10-15% reduction by 2025 (previously 20%) in the emissions associated with the carbon in our upstream oil and gas production and are aiming for 20-30% reduction by 2030 (previously 35-40%).

We continue to believe our ambition and aims, taken together, are consistent with the goals of the Paris Agreement. By setting a path that enables us to make a positive contribution, working to build and participate in many of the new net zero value chains the world will need, our ambition and aims support the world's progress towards Paris.

The *bp sustainability report 2021* described our approach to divestment activities, which remains unchanged, and how divestments – which continue to be an important part of our strategy – contribute to our aims 1, 2 and 3. It also described our position on carbon credits and offsetting.

This year's report provides an update on our work to champion nature-based solutions – see aim 18 on [page 49](#).

 [Read the bp sustainability report 2021:
bp.com/reportingcentre](https://bp.com/reportingcentre)

^a What we mean by net zero for the world is different from what it means for bp. See the glossary on pages 59-60.
For terms with ★ refer to the glossary on [pages 59-60](#).

Net zero aims 1-5 update

Five aims to get bp to net zero – progress summary

Aims	Measure/coverage	2019	2020 update	2021 performance	2022 performance	2025 targets	2030 aims	Aims for 2050 or sooner
Aim 1 <i>Net zero operations★</i>	Scope 1+2	Baseline 54.4 MtCO ₂ e	16%^a	35%^a	41%^a	20%^a	50%^a 30-35% ^b	Net zero★
Aim 2 <i>Net zero production★</i>	Scope 3	Baseline 361 MtCO ₂	9%^a	16%^a	15%^a	10-15%^a 20% ^b	20-30%^a 35-40% ^b	Net zero★
Aim 3 <i>Net zero sales★</i>	Average lifecycle carbon intensity ⁱ	Baseline 79^c gCO ₂ e/MJ	2%^{cd}	1%^{cd}	2%^{cd}	5%^d	15-20%^d 50% ^b	Net zero★
Aim 4 <i>Reducing methane</i>	Methane intensity★	0.14%^e	0.12%^e	0.07%^e	0.05%^e	0.20%^f	50%^f reduction	
Aim 5 <i>More \$ into transition</i>	Transition growth investment★	\$634m^g	\$995m^g	\$2.4bn^g	\$4.9bn^h	\$6-8bnⁱ \$3-4bn ⁱ	\$7-9bnⁱ ~\$5bn ⁱ	

a Reduction in absolute emissions against the 2019 baseline.

b Previous target/aim set in 2020.

c The previously reported aim 3 figures have been recalculated in accordance with the expanded sales boundary (now the average carbon intensity of sold energy products★), methodology improvements for power, and updated carbon intensity factors and physical/chemical properties, and so differ from those presented in the 2019-2021 bp Annual Report and Form 20-F, sustainability report and ESG datasheet. For more detail on how this metric is calculated see the basis of reporting.

d Reduction in the average carbon intensity of sold energy products★ against the 2019 baseline.

e The methane intensity★ for these years is calculated using our existing methodology and, while it reflects progress in reducing methane emissions, will not directly correlate with progress towards delivering the 2025 target under aim 4.

f The 0.20% methane intensity target is based on our new measurement approach, which we aim to have in place across the relevant operations by the end of 2023. The 50% reduction we are aiming for is against a new baseline which we plan to set based on that new measurement approach.

g Values have been restated to align with transition growth investment★.

h In 2022 capital expenditure★ against aim 5 activities (transition growth investment) increased from \$2.4 billion on an equivalent basis in 2021 (\$2.2 billion based on previous aim 5 low carbon investment metric). Most of this spend related to investments in biogas, EV charging, offshore wind, power and convenience.

i 2025 target has been updated from \$3-4 billion (in low carbon activity investment★) to \$6-8 billion in transition growth investment and 2030 aim has increased from ~\$5 billion to \$7-9 billion respectively.

j Average carbon intensity of our sold energy products. As explained on page 26, aim 3 emissions can be thought of as combining elements of bp Scopes 1, 2 and 3.

For terms with ★ refer to the glossary on [pages 59-60](#).

Consistency of our ambition and aims with the Paris goals

In a world heading for net zero, we believe that bp is best positioned for success if we are also heading for net zero – working to build and participate in net zero value chains, and using our capabilities to integrate along and across those value chains.

We believe that our net zero ambition and aims, taken together, set out a path for bp that is consistent with the goals of the Paris Agreement.

When we refer to ‘consistency with Paris’ we consider this to mean consistency with the world meeting the goals set out in Articles 2.1(a) and 4.1 of the Paris Agreement on Climate Change★. Both the Sharm el-Sheikh Implementation Plan agreed by the Parties at COP27 in November 2022 and the Glasgow Climate Pact agreed by the Parties at COP26 in November 2021 reaffirmed the temperature goal set out in Article 2 of the Paris Agreement.

We believe that our ambition and our 10 net zero aims need to be considered as a package for Paris consistency. That is because they combine to set bp’s direction for net zero, supporting society’s drive towards the Paris goals and enabling bp to succeed in a Paris-consistent world.

Our ambition and aims enable us to make a positive contribution to the world meeting the Paris goals and getting to net zero, including in its pursuit of efforts to limit global average temperature rise to 1.5°C above pre-industrial levels.

Our view of Paris consistency continues to be based on three key principles:

1 Informed by Paris-consistent energy transition scenarios

We are confident that our approach is science-based. We see the Intergovernmental Panel on Climate Change (IPCC) as the most authoritative source of information on the science of climate change and we use it and other sources to inform our strategy. The IPCC highlights that there are a range of global pathways by which the world can meet the Paris goals, with differing implications for regions, industry sectors and sources of energy.

The *bp Energy Outlook 2023* has been updated to reflect the significant developments in global energy markets over the past year, including the possible impact of the Russia-Ukraine war on the pace of the energy transition. It includes three main scenarios – two of which we regard as Paris-consistent (Accelerated and Net Zero scenarios) – that we use to inform our strategy.

 Read more about scenarios which inform our net zero ambition on page 4 of the [net zero ambition progress update](#).

2 Positioned for strategic resilience

We believe our strategy positions bp for success and resilience in a Paris-consistent world – a world that is progressing on one of the many global trajectories considered to be Paris-consistent, and ultimately meets the Paris goals.

The strategy diversifies bp’s portfolio and business interests, reducing the risk that challenges facing a single business area might adversely affect bp’s strategic resilience. In addition, within the inevitable constraints associated with factors such as long-term capital investments, contractual commitments and organizational capabilities at any given time, bp’s ability to maintain its strategic resilience rests, in part, on the governance used to keep the strategy under review in light of new information and changes in circumstances.

3 Contributes to net zero

There are many ways a company at the heart of the energy sector can make a meaningful contribution to the world getting to net zero. These include: policy advocacy and seeking to use the company’s influence with trade associations (who conduct climate-related advocacy); low carbon collaboration and support for others in their own decarbonization efforts (such as cities and companies); and investment in low carbon and technology development.

bp seeks to advance these areas through our aims 1-5 in support of our ambition to be a net zero company by 2050, or sooner, and aims 6-10 which are focused on activities which can help the world get to net zero, see [page 21](#) and [page 30](#).

 Read more about consistency with Paris on pages 28-31 of the [bp Annual Report 2022](#).

For terms with ★ refer to the glossary on [pages 59-60](#).

Five aims to get bp to *net zero*

We are focused on delivering our net zero aims and investing in our transition and the energy transition.

1

Net zero operations★

What we have achieved
41% reduction in
absolute emissions
against the 2019
baseline

(2021 performance 35%)

2

Net zero production★

What we have achieved
15% reduction in
absolute emissions
against the 2019
baseline

(2021 performance 16%)

3

Net zero sales★

What we have achieved
2% reduction in the
average carbon
intensity of sold energy
products★ against the
2019 baseline

(2021 performance 1%)

4

Reducing methane

What we have achieved
0.05% methane
intensity★

(2021 performance 0.07%)

5

More \$ into transition

What we have achieved
\$4.9bn transition
growth investment★

Including our ~\$3 billion deal
to acquire Archaea Energy – a
leading US producer of renewable
natural gas.

(2021 performance \$2.4bn)

 Read [page 22](#) for more

 Read [page 23](#) for more

 Read [page 25](#) for more

 Read [page 27](#) for more

 Read [page 28](#) for more

For terms with ★ refer to the glossary on [pages 59-60](#).

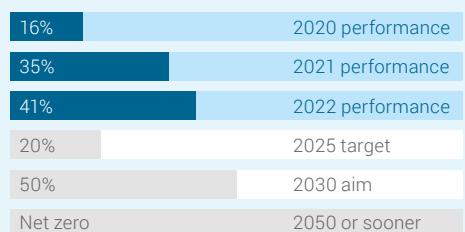
Net zero operations★

Our aim 1 is to be net zero across our entire operations on an absolute basis by 2050 or sooner.

This aim relates to our Scope 1 (from running the assets within our operational control boundary) and Scope 2 (associated with producing the electricity, heating and cooling that is bought in to run those operations) GHG emissions. These emissions were 54.4MtCO₂e in 2019. We are targeting a 20% reduction in our aim 1 operational emissions by 2025 and will aim for a 50% reduction by 2030 against our 2019 baseline.

Progress and targets

Reduction in emissions against the 2019 baseline (absolute basis).



Our actions

Operational efficiency

We are implementing energy efficiency measures, electrifying our centralized facilities, reducing flaring and venting, and managing methane across our operations. Emissions reduction activities may include powering refineries and onshore upstream assets using power with lower carbon attributes, as we are already doing at a number of our European refineries.

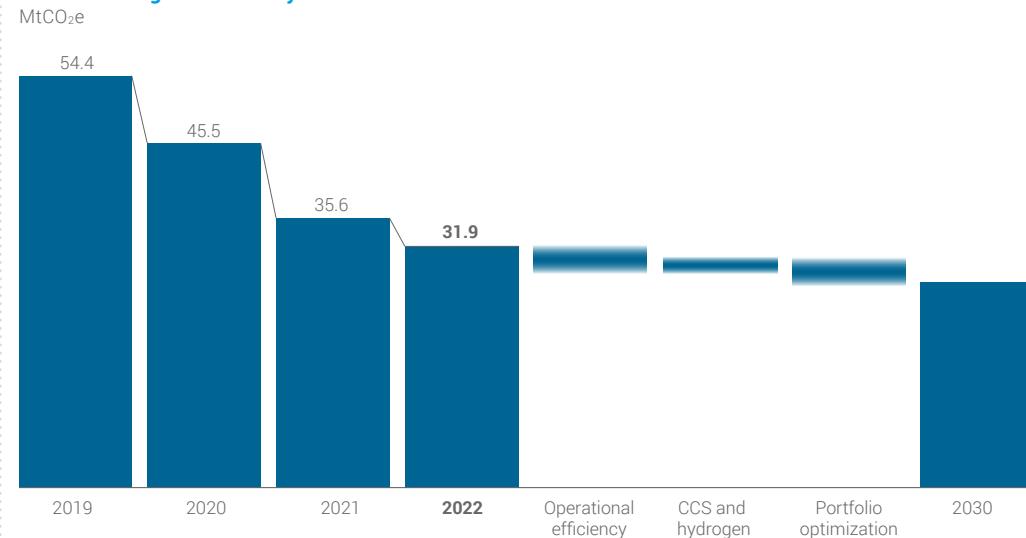
Carbon capture and storage (CCS) and hydrogen

Where conditions are suitable, extraction of CO₂ from produced gas streams and reinjection underground can serve to reduce overall operational emissions. We believe this could be the case at our Tangguh LNG facility in Indonesia, where we are progressing the Tangguh Enhanced Gas Recovery and CCS scheme, designed to inject CO₂ back into the reservoir. We also plan to increase the use of blue and green hydrogen★ at our refineries, reducing the emissions associated with the use of natural gas and grey hydrogen.

Portfolio optimization

As we high-grade our portfolio and focus on our most resilient assets, we expect emissions from our operations to reduce over time.

Actions driving aim 1 delivery*

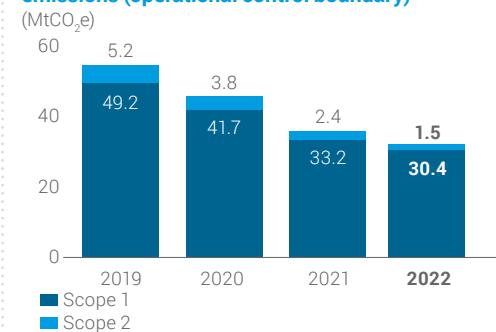


Our progress in 2022

We made further progress against our operational emissions reduction targets. Our combined Scope 1 and 2 emissions, covered by aim 1 were 31.9MtCO₂e – a decrease of 41% from our 2019 baseline of 54.4MtCO₂e. The total decrease of almost 22.5MtCO₂e includes 16.0MtCO₂e attributable to divestments and 4.1MtCO₂e in sustainable emission reductions (SERs)★. Compared with 2021 (35.6MtCO₂e), Scope 1 and 2 emissions decreased by 10%.

We have already exceeded our 2025 target of 20% emission reductions against our 2019 baseline. However, we plan to bring new projects online and continued investment will be needed to meet our 2030 aim. SERs have been a core focus for us, allowing us to apply our skills to emission reductions and we intend to maintain that focus. So to support delivery of this aim, we are continuing to identify and progress potential projects, including flaring and venting reduction, energy efficiency, electrification and CCS.

Scope 1 (direct) and Scope 2 (indirect) GHG emissions (operational control boundary)^b



a This chart is intended to be illustrative of a range of contributions that individual aspects of our plans may make relative to others. They should not be taken to represent specific expectations of actual impacts of actions driving delivery.

b Operational control data comprises 100% of emissions from activities operated by bp, going beyond the IPIECA guidelines by including emissions from certain other activities such as contracted drilling activities.

For terms with ★ refer to the glossary on [pages 59-60](#).

Scope 1 (direct) emissions, covered by aim 1, were 30.4MtCO₂e – a decrease of 8% from 33.2MtCO₂e in 2021. Of these Scope 1 emissions, 29.7MtCO₂e were CO₂ and 0.7MtCO₂e methane. Emissions decreased due to divestments, delivery of SERs★ and other temporary operational changes.

Scope 2 (indirect) emissions decreased by 0.9MtCO₂e, to 1.5MtCO₂e, a 38% reduction compared with 2021. This decrease resulted from lower carbon power agreements, including those at our Cherry Point, Gelsenkirchen and Rotterdam sites.

- Divestments accounted for 1.2MtCO₂e of the Scope 1 and 2 emissions decrease, including bpX energy divestments and the transition of our Angola business to the Azule integrated joint venture.
- Delivery of SERs reduced Scope 1 and 2 emissions by 1.5MtCO₂e.
- Other permanent reductions, partly delivered in 2021, included the repurposing of the Kwinana refinery (0.1MtCO₂e reduction) and ending production at Foinaven floating production storage and offloading vessel (0.1MtCO₂e reduction).
- Temporary production-related changes accounted for a decrease of 1.0MtCO₂e.
- Total hydrocarbons flared decreased from 967kt to 654kt due to operational flaring reductions and the transition of the Angola business to the Azule integrated joint venture.

SERs from our businesses and activities included:

- Cherry Point, Gelsenkirchen and Rotterdam refineries and Gelsenkirchen Chemicals reduced Scope 2 emissions from purchased electricity by 662ktCO₂e through further lower carbon power agreements.
- Tangguh LNG achieved emissions reductions of 86ktCO₂e through the addition of a steam heat recovery project.
- bpX energy reduced operational emissions by 351ktCO₂e, through projects including further electrification, the introduction of new technologies such as at the Grand Slam facility, and the installation of vapour recovery at Eagle Ford in the US.

bp equity share emissions

We report our operational (Scope 1 and 2) GHG emissions with reference to two boundaries – operational control and bp equity share – in our ESG datasheet. Operational control boundary broadly covers bp-operated assets^a. bp equity share covers 100% of emissions from subsidiaries and the percentage of emissions equivalent to our share of joint arrangements and associates^b. Our Scope 1 and 2 emissions reduced on both an operated and equity share basis, compared with 2021.

 [Read more: bp.com/ESGdata](http://bp.com/ESGdata)

2

Net zero production★

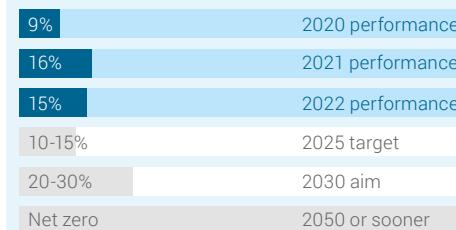
Our aim 2 is to be net zero on an absolute basis across the carbon in our upstream oil and gas production by 2050 or sooner.

This is our Scope 3 aim and is based on bp's net share of production^c (around 361MtCO₂ in 2019). It is associated with the CO₂ emissions from the assumed combustion of upstream production of crude oil, natural gas and natural gas liquids (NGLs).

We are now targeting a 10-15% reduction by 2025 and will aim for 20-30% by 2030 against our 2019 baseline.

Progress and targets

Reduction in emissions against the 2019 baseline (absolute basis).



Our actions

Portfolio optimization

Becoming net zero on an absolute basis across the carbon in our upstream oil and gas production is in part linked to reducing that production. We believe that the Scope 3 emissions associated with our upstream oil and gas production will not exceed their 2019 peak and have stated that we are aiming for a reduction in oil and gas production by around 25% by 2030, compared to 2019 (excluding production from Rosneft)^c.

This reduction aim takes account of anticipated base decline of existing fields, new projects coming online and the ongoing strategic high-grading of our portfolio – which we are designing to be operationally and economically robust, and also resilient to unplanned or unexpected factors such as price volatility and geopolitical risk.

Our exploration and production capital expenditure★ has declined from a peak of \$4.6 billion in 2010, to around \$500 million in 2022.

Carbon capture and storage and blue hydrogen

In future, the Scope 3 emissions under aim 2 could also be reduced by other mitigation actions. For example, the use of carbon capture and storage (CCS) for the production of blue hydrogen★ or electricity from our equity production.

^a Operational control data comprises 100% of emissions from activities operated by bp, going beyond the IPIECA guidelines by including emissions from certain other activities such as contracted drilling activities.

^b bp equity share data comprises 100% of emissions from subsidiaries and the percentage of emissions equivalent to our share of joint arrangements and associates, other than bp's share of Rosneft. On 27 February 2022, following the military action in Ukraine, the bp board announced that bp intends to exit its 19.75% shareholding in Rosneft Oil Company (Rosneft).

^c Excluding bp's share of production in Rosneft. On 27 February 2022, following the military action in Ukraine, the bp board announced that bp intends to exit its 19.75% shareholding in Rosneft Oil Company (Rosneft).

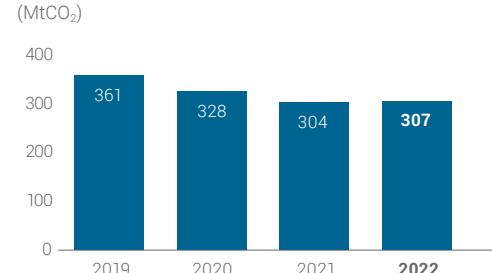
For terms with ★ refer to the glossary on [pages 59-60](#).

Our progress in 2022

Since 2019 our estimated Scope 3 emissions covered by aim 2 have reduced by 15% which is at the upper end of our revised 2025 target of a 10-15% reduction against our 2019 baseline. However, between now and 2025, we expect to see growth in underlying production due to major project start-ups, deferred divestments and growth in bp production. Our aim to reduce our oil and gas production from 2019 levels by around 25% by 2030, underpins our 2030 aim of a 20-30% reduction in Scope 3 emissions covered by aim 2 against a 2019 baseline.

The estimated Scope 3 emissions from the carbon in our upstream oil and gas production were 307MtCO₂ in 2022 – a slight increase from 304MtCO₂ in 2021, mainly associated with an increase in underlying production due to the ramp-up of major projects and higher asset performance.

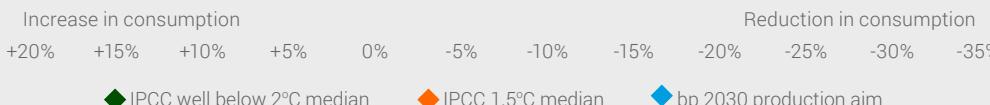
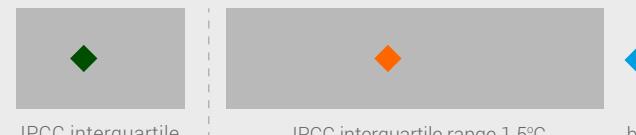
Estimated emissions from the carbon in our upstream oil and gas production



Estimated emissions from the carbon in our upstream oil and gas production by product

	2019 baseline	2020 performance	2021 performance	2022 performance
Total	361	328	304	307
Oil	185	177	157	152
Gas	165	140	138	145
NGL	11	11	9	10

2030 oil and gas changes from 2019 baseline^b



a Excluding bp's share of production in Rosneft. On 27 February 2022, following the military action in Ukraine, the bp board announced that bp intends to exit its 19.75% shareholding in Rosneft Oil Company (Rosneft).

b Primary energy oil and gas used as a proxy for production.

For terms with ★ refer to the glossary on [pages 59-60](#).

Our aim 2 pathway

Our destination is unchanged: we are aiming to be net zero for aim 2 by 2050, or sooner. We expect our pathway to net zero to be fine-tuned over time, to reflect emerging opportunities and challenges as the world transitions to a better, and more balanced, energy system.

As part of our 'update on strategic progress' on 7 February 2023, we announced our plan to increase investment in today's energy system, compared to our previous plans.

As a result, we are now aiming to reduce our oil and gas production^a by around 25% by 2030 compared to 2019. Because aim 2 mirrors our oil and gas production profile, we have updated the medium-term pathway out to 2030 for aim 2. We are now targeting a 10-15% reduction by 2025 compared to the 2019 baseline (previously a 20% reduction) and aiming for 20-30% reduction by 2030 (previously a 35-40% reduction).

These reductions do not include production volumes from our shareholding in Rosneft, which we announced on 27 February 2022 that we

would exit. Including Rosneft, our oil and gas production in 2022 was around 40% lower than in 2019.

To support a balanced as well as rapid energy transition, during this decade we now plan to slow the pace of planned divestments and invest in appropriate, short cycle-time oil and gas development opportunities. Slowing divestments means we will operate these assets for longer and the volume of emissions abatement projects undertaken this decade may increase as we work to meet our aims and targets under aim 1 (Scopes 1 and 2 operated emissions reductions).

Our position on project evaluation remains unchanged. As with any investment, we plan to consider new oil and gas development opportunities against our balanced investment criteria. For new material capital investments, we will continue to evaluate their consistency with the goals of the Paris Agreement, as part of our reporting against the requirements of a shareholder resolution requisitioned by CA100+★ in 2019.

As described on [page 20](#), we believe that our net zero ambition and aims, taken together, set out a path for bp that is consistent with the goals of the Paris Agreement. We do not consider a narrow focus on individual aims as being particularly useful. However, for readers who may welcome such a comparison, the adjacent chart shows the median and interquartile range of changes (2019-2030) in consumption of oil and gas as primary energy in the IPCC's 1.5°C scenarios with no or limited overshoot and in their well-below 2°C scenarios. These scenarios suggest a median 9.8% reduction in consumption of oil and gas (within an interquartile range of reductions of between 1.5% and 24.5%) in the 1.5°C limited / no overshoot scenarios, and a median increase of 7.7% (within an interquartile range of increases of between 1.3% and 11.1%) in the well-below 2°C scenarios. These compare with bp's aim to reduce oil and gas production by around 25% by 2030.

The chart does not separate out oil from gas; for context, median oil consumption reduces by 9.5% in the 1.5°C limited / no overshoot scenarios and increases by 2.2% in the well below 2°C scenarios. Median gas consumption reduces by 9.8% in the 1.5°C limited / no overshoot scenarios and increases by 11.1% in the well-below 2°C scenarios.

3

Net zero sales*

Our aim 3 is to reduce to net zero the carbon intensity of the energy products we sell by 2050 or sooner.

This aim applies to the average carbon intensity of the energy products we sell. It is estimated on a lifecycle (full value chain) basis from the use, production, and distribution of sold energy products per unit of energy (MJ) delivered.

In February 2022 we expanded aim 3 to include physically traded energy products★ as well as marketed sales. In future, it may also cover certain other products, for example, those associated with land carbon projects. We are reporting on this basis for the first time this year and have recalculated our 2019-2021 data accordingly.

Progress and targets

Reduction in the carbon intensity of our sold energy products★ against the 2019 baseline.

2%	2020 performance
1%	2021 performance
2%	2022 performance
5%	2025 target
15-20%	2030 aim
Net zero ^b	2050 or sooner

Our actions

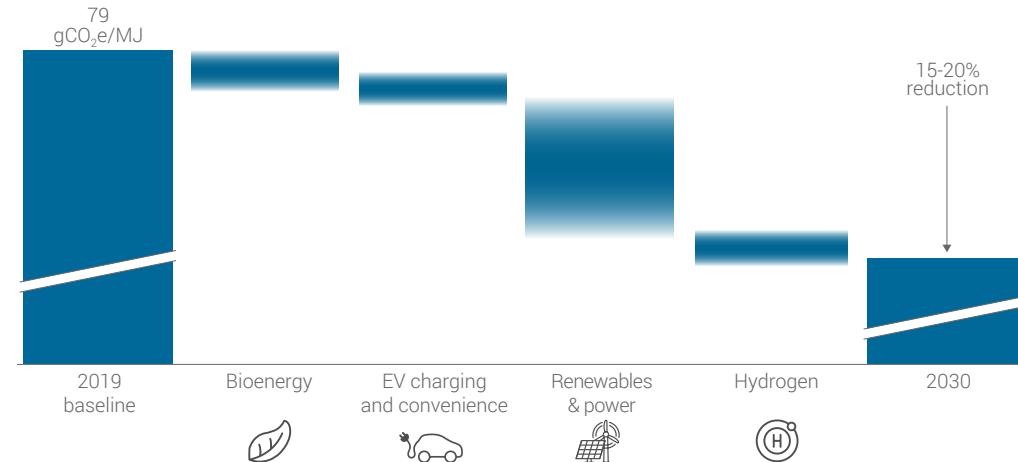
Progress on our aim 3 is directly linked to our strategy to grow our low carbon presence and provide products that have lower lifecycle emissions. We anticipate that this change in our sales portfolio will accelerate as the market evolves.

We are aiming for around 50% of our capital investment to be in our transition growth engines – which includes low carbon activity – in 2030. Our aim 5 is to increase the proportion of investment into non-oil and gas.

 [Read more about our transition growth investment on page 28.](#)

Actions driving aim 3 delivery*

For aim 3, reducing the average carbon intensity of sold energy products★ is driven by the efforts of the energy sector, including ours, to decarbonize the products we sell today and investments in EV charging, bioenergy, renewables and power and hydrogen as well as the transition of our energy product★ trading mix in line with the decarbonization of our activities and global energy over time.



a This chart is intended to be illustrative of a range of contributions that individual aspects of our plans may make relative to others. They should not be taken to represent specific expectations of actual impacts of actions driving delivery.

b At the point of net zero, our net zero carbon intensity aim 3 also means we will be net zero on an absolute basis.

For terms with ★ refer to the glossary on [pages 59-60](#).

Our strategic themes

We expect the execution of our strategy across our three strategic pillars – resilient hydrocarbons, convenience and mobility, and low carbon energy – to support delivery of our aim 3 up to, and beyond, 2030.

In charting our aim 3 path, we recognize that often, significant aim 3 benefits arise over the longer term – such as certain of the hydrogen or offshore wind projects we're working on through this decade coming into operation beyond 2030; utilization rates for EV charge points increasing in later years as EV uptake grows; and investing now in convenience and retail platforms with a view to introduce lower carbon transport offers as our customers' energy needs evolve.

Examples of actions to advance aim 3 across our three strategic pillars include:

Resilient hydrocarbons

We are in action to grow our bioenergy businesses. We aim to grow our biofuels production★ to around 100,000 barrels per day by 2030. Our refineries operate in regions where we expect to see strong growth in bioenergy demand, and our manufacturing processes are well positioned to adapt to this.

Convenience and mobility

EV charging is moving at pace, and we see significant value through our focus on fleets and fast★ charging to on-the-go customers. We have around 22,000 charge points – and almost all charge points we roll out now are rapid★ or ultra-fast★. Overall, we aim to grow our global network to more than 100,000 EV charge points★ and to increase our energy sales from those by more than 100-fold from 2021 to 2030.

Low carbon energy

Where we see strategic value in doing so, we intend to integrate our electricity generation positions with a growing commercial and industrial customer portfolio, and aim to significantly increase our electricity trading volumes.

Hydrogen

We intend to significantly scale up our hydrogen business and aim to deliver 0.5-0.7Mtpa of hydrogen production by 2030. We anticipate this will primarily be green hydrogen★ (electrolysis of water using renewable power), while selectively pursuing blue hydrogen★ (generated from natural gas) opportunities where there is regulatory support and CCS access. As markets evolve, we expect to invest to build global export hubs for hydrogen and hydrogen derivatives. These are in advantaged geographies where we have an established presence.

Aim 3 update

Following the changes to aim 3 we announced in February 2022, we have updated our aim 3 metric from the average carbon intensity of our marketed energy products to the average carbon intensity of our sold energy products★ (including physically traded energy products★). In addition, a number of methodological changes have been made. These include methodology improvements for power; updated carbon intensity factors and physical and chemical properties of various energy products in line with the latest editions of industry publications.

As a result of these changes, the energy included under aim 3 for 2019 – our baseline year – has increased from 12.6EJ to 20.9EJ and the emissions have increased from 993MtCO₂e to 1,638MtCO₂e. Overall, the 2019 carbon intensity remained at 79gCO₂e/MJ.

All figures, up to and including our baseline year of 2019, have been recalculated on this revised basis.

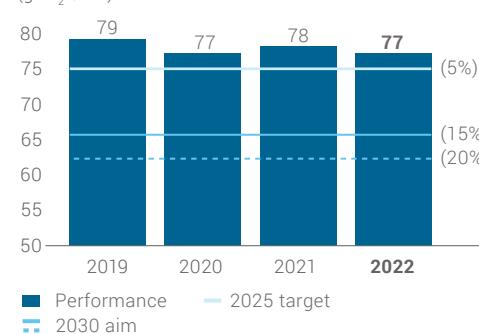
Our progress in 2022

In 2022 the average carbon intensity of sold energy products★ was 77gCO₂e/MJ. This represents a 2% decrease from our 2019 baseline, primarily driven by a reduction in the lifecycle emissions associated with the sold energy products★.

We are also continuing to invest in activities that contribute to our transition and net zero aims. In 2022 our acquisitions included EDF Energy Services and Archaea Energy – both of which are expected to further reduce the average carbon intensity of sold energy products★ in 2023 and beyond.

 Read more about our transition growth investment on page 28.

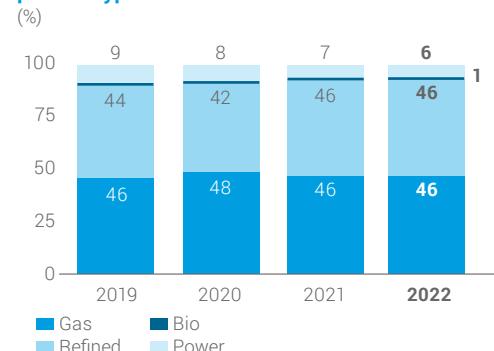
Average carbon intensity of sold energy products^a
(gCO₂e/MJ)



Average carbon intensity of sold energy products★^b
(gCO₂e/MJ)

	2019	2020	2021	2022
Average emissions intensity of energy products	79	77	78	77
Refined energy products	95	92	92	92
Gas products	68	67	67	67
Bioproducts	47	44	43	43
Power products ^c	57	59	56	52

Share of energy delivered per energy product type^{bd}
(%)



Full value chain emissions for energy products

Aim 3 is estimated on a lifecycle basis covering our full value chain including production and extraction, transportation, processing, distribution and use of the relevant products, assuming the product is fully combusted.



How does aim 3 relate to Scope 1, 2 and 3 emissions?

We are sometimes asked how our aim 3 relates to the Scope 1, 2 and 3 based approach we use for aim 1 (net zero operations) and aim 2 (net zero production).

At a high level, it is straightforward^e – because, by covering the full ‘lifecycle’ emissions associated with the energy products we sell (see the graphic above), aim 3 covers many of the emissions that people might think of as bp’s Scope 1, 2 or 3 emissions:

- Such as when someone drives a vehicle using fuel we sold, or heats their home with natural gas we sold. Aim 3 covers those emissions, which are labelled as ‘End use’ in the graphic above.

- Or other emissions associated with fuels we sell – such as when bp sells diesel or gasoline. For us to be able to sell the fuel, the oil from which it was made had to be produced and transported to a refinery, where it was refined into fuel, and then it was delivered to where we finally sold it to a user.

Each of these activities may have been completed by bp or other companies, so the emissions from those activities could be Scope 1, Scope 2 or Scope 3 emissions for bp. Either way, aim 3 covers those emissions (‘Production’, ‘Processing’, ‘Transportation’ or Distribution emissions in the graphic above).

So, while aim 3 considers the emissions as relating to the ‘lifecycle’ of the product, the GHG emissions bp reports under our aim 3 can be thought of as aggregating the relevant Scope 1, 2 and 3 emissions for bp – in other words, as combining elements of bp’s Scope 1 + 2 + 3 emissions, with the most significant Scope 3 categories being 1, 3, 4, 9 & 11^f.

^a The aggregate lifecycle emissions and energy values used in the calculation of the average carbon intensity of sold energy products is provided in our ESG datasheet on bp.com.

^b The share of energy is based on the total energy associated with sales of energy products, with electricity represented as fossil equivalence of sold energy.

^c Covers all power, including renewable and non-renewable.

^d Due to rounding the sum of the component parts may not exactly equal 100%.

^e Note that in technical GHG accounting terms, the situation can be more complex. For example, the GHG Protocol has separate standards or guidance for the product lifecycle approach and for Scopes-based reporting. Using industry GHG accounting guidance, a vertical integrated company such as bp, which can have activities at any of the stages depicted in the graphic, may select various boundaries for a Scope 3 category, such as category 11. For bp’s aim 2, we selected the ‘upstream’ boundary for our Scope 3, category 11 reporting.

^f Category 1 is purchased goods and services; category 3 is fuel- and energy-related activities (not included in Scope 1 or Scope 2); category 4 is upstream transportation and distribution; category 9 is downstream transportation and distribution; category 11 is use of sold products.

For terms with ★ refer to the glossary on [pages 59-60](#).

Reducing methane

Our aim 4 is to install methane measurement at all our existing major oil and gas processing sites by 2023, publish the data, and then drive a 50% reduction in methane intensity^a of our operations.

And we will work to influence our joint ventures to set their own methane intensity targets of 0.2%.

Progress and targets

Methane intensity^a

0.12% ^b	2020 performance
0.07% ^b	2021 performance
0.05%^b	2022 performance
0.20%	2025 target ^c
50%	Aim ^d

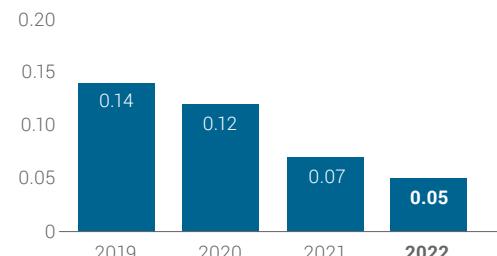
Our progress in 2022

Our methane intensity[★] in 2022 was 0.05% – an improvement from 0.07% in 2021^b. Methane emissions from upstream operations, used to calculate our intensity, continued on the declining trend they have followed since 2016 (when we reported 111kt), decreasing by 35% to around 28kt, from 43kt in 2021. Variations in production and divestments accounted for approximately 85% of the absolute reductions reported for 2022, and methane reductions from SERs[★] accounted for 14%. Marketed gas volumes increased by 4.8% to 3,205bcf in 2022.

We continue to progress our work under the World Bank's Zero Routine Flaring Initiative by 2030 (and by 2025 in our bpx energy operations).

Methane intensity^{ab}

(%)



Methane measurement

We progressed the deployment of our methane measurement approach across all our existing major oil and gas processing sites in 2022, with the introduction of enhanced metering, software for flare efficiency and predictive emissions monitoring on gas turbines. We remain on course to deliver our methane measurement aim by the end of 2023.

We have taken different approaches at our facilities in order to align with the capabilities of available technologies. At our major facilities our approach focuses on the simultaneous use of multiple detection and measurement technologies.

One of many promising solutions we have piloted is provided by our partner, the methane sensor expert, SeekOps Inc. This solution utilizes highly advanced sensor technology deployed on remotely operated aerial vehicles to monitor methane emissions. It has been successfully used in the UK North Sea, Oman and the Azerbaijan-Georgia-Türkiye region.

Across bpx energy's operations in the US, we use a varied approach to detection and measurement, reflecting the dispersed nature of bpx facilities and the type and spread of methane sources. This approach centres on the integration of multiple solutions and the long-term goal is to reach a predictive operating state, with potential emissions anticipated and avoided.

bpx is also working with Kairos Aerospace to monitor methane emissions. Kairos's aircraft carry LeakSurveyor™ methane spectrometers that are linked to powerful computing software. Using this system, bpx can identify the most significant sources of emissions across the various basins and action change where necessary.

Methane reduction activity

We continued working to reduce our operational methane emissions – from upgrades in our current operations to advances in the design of our new facilities. Methane SERs[★] were around 2.2kt in 2022, delivered across multiple projects.

For example, at our offshore facilities in Trinidad we updated our internal vessel inspections to remove the need for depressurization. And on our Glen Lyon floating production, storage and offloading vessel in the North Sea, we optimized pressure control in our crude oil storage tanks.

Technology implementation

Technologies to detect and measure methane continue to evolve at pace. We have transformed the way we approach methane emissions thanks to a range of technologies, but it is essential that we monitor new developments and remain open to considering new solutions as they emerge.

For example, we are monitoring the potential of high-resolution satellite data to identify point sources of methane emissions at site level to support our leak detection and repair activities.

a Methane intensity[★] refers to the amount of methane emissions from bp's operated upstream oil and gas assets as a percentage of the total gas that goes to market from those operations. Our methodology is aligned with the Oil and Gas Climate Initiative's (OGCI).

b Methane intensity is currently calculated using our existing methodology and, while it reflects progress in reducing methane emissions, will not directly correlate with progress towards delivering the 2025 target under aim 4.

c Methane intensity based our plans for increased source level measurement which we aim to have in place by the end of 2023.

d The 50% reduction we are aiming for is against a new baseline which we plan to set based on the new measurement approach. We aim to have the new measurement approach in place across the relevant operations by the end of 2023.

For terms with ★ refer to the glossary on [pages 59-60](#).

NOJV activities

Under the guidance of our non-operated joint venture (NOJV) centre of expertise, we are working to help our NOJVs reduce their methane emissions.

We have prioritized collaboration with NOJVs that have the greatest potential to reduce methane emissions, and we are working on multiple aspects related to methane emission reductions, including measuring and reporting, the use of technology and setting meaningful targets. We are helping different NOJVs make progress and in many instances we learn from them. We also encourage them to work in line with organizations such as the Methane Guiding Principles and the Oil and Gas Methane Partnership (OGMP).

Collaboration and methane advocacy

In 2022 we retained gold status for our plans to measure methane emissions under the OGMP 2.0 reporting framework. This award recognized the work of many bp teams and collaborations with our partners including NOJVs. Our work under OGMP is consistent with and goes beyond aim 4, as emissions from shipping and non-operated assets are also included in scope.

We have advocated for progressive methane policy, including the federal regulation of methane emissions in the US, and the development of policy and regulations in Europe through our response to the European upstream emissions reduction regulations.

 Read more: bp.com/advocacyactivities

5

More \$ into transition

Our aim 5 is to increase the proportion of investment we make into our non-oil and gas businesses.

Over time, as investment goes up in low and zero carbon, we see it going down in oil and gas.

Progress and targets

Annual \$ investment in transition growth engines★

\$0.6bn ^a	2019
\$1.0bn ^a	2020
\$2.4bn ^a	2021
\$4.9bn ^b	2022
\$6-8bn ^c	2025 target
\$7-9bn ^c	2030 aim

Our progress in 2022

In 2022 transition growth investment★ was \$4.9 billion compared to \$2.4 billion in 2021 – this was around 30% of total capital expenditure★ for the year, up from around 3% in 2019.

As we pursue our net zero ambition, we see our annual transition growth investment reaching \$6-8 billion in 2025 and are aiming for it to reach \$7-9 billion in 2030.

As announced in February 2023, going forward we are targeting increasing the proportion of our annual capital expenditure invested in transition growth★ engines to more than 40% of total spend by 2025 and aiming for it to rise to around 50% by 2030.

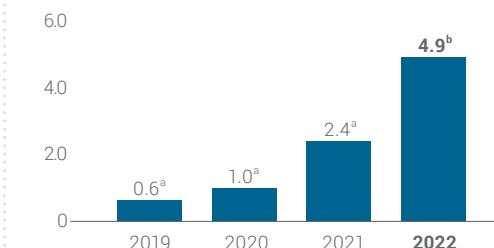
Changes to aim 5 reporting basis

Our transition growth engines are bioenergy, convenience, EV charging, renewables and power, and hydrogen. We have restated our aim 5 metric to align with our transition growth investment★.

As a result, the proportion of capital expenditure that counts towards our aim 5 2025 target has changed from \$3-4 billion in low carbon activity investment, to transition growth investment of \$6-8 billion, and our 2030 aim has changed from around \$5 billion in low carbon investment, to \$7-9 billion of transition growth investment.

Transition growth investment

(annual \$bn)

**Bioenergy**

We plan to materially grow our established bioenergy businesses. In October 2022 we announced a significant investment through our ~\$3 billion deal to acquire Archaea Energy, a leading US producer of renewable natural gas (RNG). This will give us the opportunity to expand our presence in the US biogas industry and accelerate our strategic bioenergy transition growth engine.

Archaea is a fast-growing business. In addition to operating 50 RNG and landfill gas-to-energy facilities across the US, producing around 6,000boed of RNG today, it has a development pipeline of more than 80 projects with the potential to produce around five times more RNG by 2030.

a Values have been restated to align with transition growth investment★.

b In 2022, capital expenditure★ against aim 5 activities (transition growth investment★) increased from \$2.4 billion on an equivalent basis in 2021 (\$2.2 billion based on previous aim 5 low carbon investment metric). Most of this spend related to investments in biogas, power and offshore wind, and convenience and EV charging.

c 2025 target has been updated from \$3-4 billion (in low carbon activity investment) to \$6-8 billion in transition growth investment★ and 2030 aim has increased from ~\$5 billion to \$7-9 billion respectively.

For terms with ★ refer to the glossary on [pages 59-60](#).

EVs

Together with our strategic convenience site network, our investment in EV charging will help us to offer low carbon solutions to customers. We believe that, for road transport to decarbonize at the pace and scale that is needed to achieve the goals of the Paris climate agreement, it is necessary for the roll-out of EV charging infrastructure and usage of electric vehicles to be scaled up in parallel with – or even ahead of – the needed decarbonization of electricity grids. As a result, in some geographies it may be some years before grid decarbonization begins to drive down the lifecycle carbon intensity of EV charging – just as we expect in the coming years to see EVs making up a growing percentage of vehicles on the road, contributing to increased utilization of the charge points we and others are working to install now.

In 2022 we continued to grow our EV charging network, announcing the acceleration of our EV charging ambition across our key markets:

- In the US bp and Hertz signed a memorandum of understanding to develop a national network of EV charging stations powered by bp pulse. Amply Power, acquired in 2021, is working towards installing charging infrastructure at 25 Hertz rental locations in several states.
- In the UK we plan to invest £1 billion over the next decade to support the roll-out of fast, convenient charging infrastructure.
- In Spain and Portugal we announced a strategic collaboration with Iberdrola with plans to jointly invest up to €1 billion to accelerate the roll-out of EV charging infrastructure.

- In China we signed a strategic collaboration agreement with AVATR technology to accelerate the development of an EV ultra-fast charging domestic network.

Convenience

We currently have 2,400 strategic convenience sites, with an aim to have around 3,000 by 2025 and around 3,500 by 2030. In the UK we negotiated an extension to our convenience partnership with M&S until at least 2030. We also signed a new global strategic convenience partnership with Uber to make around 3,000 retail locations available on Uber Eats by 2025. This partnership will extend current local arrangements in Australia, New Zealand, Poland, South Africa and the US west coast. We added the UK and eastern US locations during 2022 and continue to explore opportunities to launch in other markets.

We believe we are well positioned to bring together our capabilities and reach in convenience and EV charging – enabling us, over time, to provide customer-focused, lower carbon transport solutions.

Renewables and power

Going forward, we aim to build a portfolio, including a global position in offshore wind, in support of green hydrogen, e-fuels, EV charging and power trading, together with continued growth in Lightsource bp.

- In 2022 we progressed our offshore US Empire wind 1 and 2 projects with Equinor and development work continued on Beacon Wind.
- In January 2022, together with EnBW, we were awarded a 2.9GW gross offshore wind lease, named project Morven located off the east coast of Scotland.

- In March 2022 we partnered with Marubeni Corporation, the major Japanese integrated trading and investment conglomerate, to explore a selected offshore wind development opportunity in Japan.

We have incorporated our power trading and marketing activities into this growth engine. This reflects our focus on creating value through integration across our own portfolio, as well as the opportunity, over time, to help customers decarbonize their power needs.

For example, in December 2022 we completed the purchase of EDF Energy Services, which will expand our presence in the US commercial and industrial (C&I) retail energy business. We expect the acquisition to bring new opportunities for enhanced lower carbon integrated energy solutions for C&I customers, integration with other bp businesses, and capabilities that can support decarbonization goals.

Hydrogen

We aim to build a leading, global position in hydrogen – initially by supplying our own refineries and then scaling up to meet growing customer demand. In parallel, as markets evolve, we will aim to develop global export hubs for hydrogen and its derivatives.

In 2022 we progressed the Net Zero Teesside and Northern Endurance Partnership projects through the define stage. Both form part of the East Coast Cluster, which aims to remove nearly 50% of all UK industrial cluster CO₂ emissions.

In Western Australia we have acquired a 40.5% interest in the Australian Renewables Energy Hub (AREH), which we will operate. AREH has the potential to be one of the world's largest renewables and green hydrogen hubs.

Once operational, the renewable power it generates at full scale could be used to produce around 1.6 million tonnes of green hydrogen or 9 million tonnes of green ammonia annually, for use locally and internationally in decarbonizing industries such as mining, shipping and steel.

Low carbon activity capital expenditure

In 2022 low carbon activity investment★, a subset of our total transition growth investment★, accounted for more than 80% of our total aim 5 investment. It increased from \$2.2 billion in 2021 to over \$4 billion. Most of this investment was in biogas, offshore wind, EV charging and hydrogen.

We anticipate that in 2030 more than 80% of our aim 5 spend will be on low carbon activity★.

Our aim 5 pathway

Some of our capital investment goes into large transactions – for example, our acquisition of Archaea Energy and EDF Energy Services in 2022. It is often not possible to predict the timing of such investments, which means the progress we make on aim 5 may fluctuate.

The level and proportion of the overall investment going into our transition growth★ engines, or into the low carbon activity★ subset may vary as we pursue our target and aim.

Our disciplined approach to capital investment means that individual investments will be made when we consider there to be a clear and compelling business case.

For terms with ★ refer to the glossary on [pages 59-60](#).

Five aims to help the world get to *net zero*

We advocate for policies that support net zero, incentivize our workforce, assess our alignment with trade associations and help corporates achieve their decarbonization goals. We also take steps to increase the transparency of our disclosures.

6 Advocating

What we have achieved
Advocated for policies
that support net zero

Including our public support
for hydrogen, EV infrastructure,
renewables and bioenergy.

7 Incentivizing employees

What we have achieved
Linked our group
leaders' incentive plan
to our net zero
operations aim

We have expanded the
sustainability measures in
our long-term incentive plan
scorecard for group leaders,
including linking performance to
progress on our aim 1 (net zero
operations).

8 Aligning associations

What we have achieved
Reviewed 51 of our
most significant trade
associations for
alignment with our
climate policy positions

We found 41 associations to be
aligned and 10 to be partially
aligned.

9 Transparency leader

What we have achieved
Continued taking
steps to increase the
transparency of our
reporting on climate-
related matters

Through our TCFD disclosures.
And we have responded to
consultations from CA100+,
the ISSB and the SEC.

10 Clean cities and corporates

What we have achieved
Helped corporates
meet their complex
decarbonization needs

For example, we opened our
first fast charging★ facilities
for electric trucks at our
Schwegenheim retail site in
Germany.

 Read page 31 for more

 Read page 31 for more

 Read page 32 for more

 Read page 33 for more

 Read page 34 for more

For terms with ★ refer to the glossary on [pages 59-60](#).

6

Advocating

Our aim 6 is to more actively advocate for policies that support net zero, including carbon pricing.

We have redirected resources to promote well-designed climate policies. In the future, any corporate advertising will be to push for progressive climate policy, communicate our net zero ambition or support delivery of our strategy, invite ideas, or build collaborations.

We will continue to run recruitment campaigns and advertise our products, services and partnerships – although we aim for these to increasingly be low carbon.

Our progress in 2022

Advocacy takes place at regional, country, state and international levels. It focused on several themes during 2022, including methane emissions reductions, the need for increased climate policy and regulation, and zero and low carbon transportation.

The Climate Action 100+ Net Zero Company Benchmark assessed our Climate Policy Engagement as 'Aligned' – on the basis that we take up Paris Agreement-aligned climate lobbying positions.

Our advocacy hubs

We have improved the transparency of our global climate policy advocacy by publishing our climate policy positions and examples of our relevant activities. We plan to provide updates on advocacy activities throughout 2023.

Our activities in 2022, included:

- Supporting ground breaking US climate legislation – the Inflation Reduction Act – which has now passed into law. We actively supported many of its climate and energy provisions.
- Advocating through technical input, advertising and public support, for the US Environmental Protection Agency to develop tougher direct federal regulation aimed at reducing methane emissions from the oil and gas industry.
- Responding to the UK Government commissioned Net Zero Review consultation – including advocacy for the policy environment needed to support CCUS, hydrogen, offshore wind and EV charging.
- Supporting and inputting to proposals for climate reporting in the US by commenting on, and advocating for, the Securities and Exchange Commission new disclosure requirements.
- Providing comments and support for the Australian Senate Climate Change Bills – including the legislation of Australia's emission reduction targets and an enhanced role for the nation's Climate Change Authority.
- Advocating for ambitious sustainable aviation fuel (SAF) policies, including our response to the EU's proposed blending mandate consultation. We supported more ambitious targets compared with the proposal, including a consistent approach to feedstocks, and flexibility for fuel suppliers to meet their SAF blending mandate across the whole of the EU rather than at the level of individual airports. Across Europe, this included speaking at 25 events in 2022 and teaming up with several aligned companies and organizations.
- Responding to the Australian Government National Electric Vehicle Strategy consultation – including advocating for scaled fast-charging infrastructure, fuel efficiency standards and decarbonizing the Australian transport sector.

- Working with a coalition to support the passage of legislation to encourage future development of CCUS projects in the state of Indiana.

Acting on behalf of bp, our CEO has publicly advocated for an energy system that provides secure, affordable and lower carbon energy. His advocacy has included public statements in support of hydrogen, EV infrastructure, renewables and bioenergy.

 Read more: bp.com/policyandadvocacy

 Read more: bp.com/USadvocacy

7

Incentivizing employees

Our aim 7 is to incentivize our global workforce to deliver on our aims and mobilize them to become advocates for net zero.

This will include continuing to allocate a percentage of remuneration linked to emissions reductions for leadership and around 32,000^a employees.

Our progress in 2022

To help our employees contribute to the delivery of our strategy and sustainability aims, we are educating them about the importance of net zero, incentivizing them to become advocates and providing the support they need to do so. In 2022 we made progress on incentivization, education and advocacy support.

Incentivization

Our annual bonus for all eligible employees, including the bp leadership team, has been linked to a sustainability measure since 2019.

The bonus scorecard against which our eligible employees are measured was updated in 2021 to incentivize them through three themes: safety and sustainability (30%), including our sustainable emissions reductions which makes up 15%, operational performance (20%) and financial performance (50%).

We expanded the sustainability measures in our long-term incentive plan scorecard for group leaders for 2022-24. This included explicitly linking performance to progress on our net zero operations aim (aim 1). We also included two social measures – on employee engagement and on improved ethnic minority representation in our senior-level leader population. This is also included in the 2023-25 scorecard and collectively, these changes mean that more than 30% of our long-term incentive plan is linked to sustainability measures.

 Read more on pages 112-147 of the [bp Annual Report 2022](#).

Employee advocacy

We continued building a community of employee advocates, supported by a growing communications and engagement network. These advocates supported a number of progressive climate policy campaigns.

We also held an educational summit, with 10 sessions and more than 1,000 employee advocates attending. The summit gave employees the chance to build their advocacy skills and learn more about the importance of net zero.

We are focused on growing the size and impact of our employee advocate network, and have a dedicated employee advocacy team to help achieve this.

8

Aligning associations

Our aim 8 is to set new expectations for our relationships with trade associations around the globe.

We are committed to getting bp to net zero and we make the case for our views on climate change within the associations we belong to. We are transparent where we differ and where we can't reach alignment, we are prepared to leave.

Our progress in 2022

Trade associations play a key role in fostering collaboration and bringing stakeholders together. They also offer opportunities to share good practice on issues of importance to bp. Our voice is one among many, but we believe everyone needs to work together to achieve net zero.

Progress is sometimes challenging and uneven because associations need to take account of members' differing views. We recognize this and will continue using our influence to make our case.

We periodically assess the alignment of key associations with our position on climate. Our priority is to influence within trade associations, but we may publicly dissent or resign our membership if there is material misalignment on high priority issues.

We reviewed 51 of our most significant trade association memberships in 2022. In comparison, 30 memberships were reviewed in our inaugural 2020 report.

We found that 41 associations aligned with our climate positions, and 10 were partially aligned – this means we disagreed on some positions or they did not take a public stance. With these 10 groups, we plan to stay as members and continue to make a strong case for action in support of good climate policy.

The seven climate positions we used as the basis of this review related to the Paris Agreement, climate science, reducing emissions, carbon pricing, energy efficiency, technology and carbon credits.

We plan to provide an update on partially aligned associations in 2023.

New memberships in 2022

As we transition to being an integrated energy company, our trade association memberships are necessarily changing. The associations we joined in 2022, which have fees of \$50,000 or more per year, are:

- India Hydrogen Alliance (ih2a) – an industry led coalition focused on commercializing hydrogen technology and systems in India.
- Global Wind Energy Council (GWEC) – a global trade association for the wind power industry.
- Waterstof Nederland – a new Dutch hydrogen association that merges hydrogen-representing bodies currently operating in the Netherlands.

 Read more including our trade associations reviews: bp.com/tradeassociations

Working with trade associations on climate issues

Our work with trade associations emphasized a number of areas related to climate change, including EVs, hydrogen and methane.

We pushed for constructive engagement on climate policy proposals throughout 2022. Some trade associations advocate on matters they consider to be important to their members; despite being a member, we may not always agree with the positions they take.

EVs

We believe electrification of transport is key to helping the world get to net zero and in 2022 we actively advocated for EV charging policies that will accelerate and simplify the roll-out of EV charging infrastructure. As a member of ChargeUp Europe, we called for faster grid connection and permitting procedures.

In the US we aim to reduce emissions from road transport by contributing to lower carbon transport options, such as using biofuels, renewable natural gas and EV charging. As well as direct advocacy, we are working with trade associations, such as CharIN, to advocate for technical standards in EV charging and infrastructure. bp pulse fleet, our wholly owned subsidiary, is also supporting the advocacy efforts of a number of different trade associations, including the Advanced Energy Economy, the Electrification Coalition, and the EV Charging Association, to facilitate EV expansion, from manufacturing to generation.

In our 2022 review of trade association memberships, we addressed the American Petroleum Institute's (API) opposition to certain policies designed to accelerate the adoption of EVs. We have made it clear that EV charging is a key part of our strategy.

Hydrogen

Hydrogen is one of our five transition growth★ engines and we believe it will play an important part in decarbonizing the transportation and industrial sectors.

In Europe we have promoted a pragmatic approach to classifying hydrogen as low carbon – encouraging incremental increases in the use of renewable power and supporting rapid development of the nascent renewable hydrogen market. We have worked with many trade associations, including Hydrogen Europe, to advocate for a more flexible approach than that set out in rules originally proposed by the European Commission.

Methane

We believe natural gas will play a significant role in the lower carbon energy system of the future. However, natural gas contains a significant proportion of methane, so it is important that it is regulated and that national standards are set. This is a fair way to ensure industry-wide prioritization of methane abatement.

With this in mind, in the US we support the direct federal regulation of methane emissions from new and existing sources across the value chain, commend the EPA for advancing new rules aimed at reducing methane emissions and are working to encourage our trade associations, notably API, to adopt a constructive position in support of federal regulation for new, modified, and existing sources.

Transparency leader

Our aim 9 is to be recognized as an industry leader for the transparency of our reporting.

On 12 February 2020, we declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We intend to work constructively with the TCFD and others – such as the International Sustainability Standards Board (ISSB) – to develop good practices and standards for transparency.

Our progress in 2022

We take steps to increase the transparency of our reporting on climate-related matters and sustainability.

We have actively participated in the development of carbon and net zero standards and benchmarks. Whether or not we agree with a particular methodology, we welcome the perspectives they can provide.

Alongside some of our peers, we participated in a pilot of the new Net Zero Standard for Oil & Gas developed by the Institutional Investors Group for Climate Change. This standard is expected to be integrated into updates to the Climate Action 100+ (CA100+) Net Zero Company benchmark.

Throughout 2022 we responded to consultations from CA100+ and others.

We support work to align global reporting standards and want to play our part in the development of quality, reliable, comparable standards that enable companies to prepare and disclose material, decision-useful information to stakeholders. In 2022 we shared our views on consultations from the Securities Exchange Commission (SEC), the International Sustainability Standards Board (ISSB) and the UK Transition Plan Taskforce.

 Read more: bp.com/advocacyactivities

Updated TCFD disclosures

For the second year running, we have reported in line with the FCA Listing Rule LR 9.8.6(8), which requires us to report on a 'comply or explain' basis against the TCFD Recommendations and Recommended Disclosures. We consider our 2022 climate-related financial disclosures to be consistent with all of the TCFD Recommendations and Recommended Disclosures, and consequently compliant with the Listing Rule.

We have continued evolving our TCFD analysis methodology and expanded the coverage to all of our business areas for the purposes of this analysis.

 Read more on pages 50-62 of the [bp Annual Report 2022](#).

 Read more: bp.com/TCFD

CDP

We submit data as part of the CDP climate change questionnaire and make a copy available on our website. In 2022 we received a score of B (2021 A-).

 Read more: bp.com/ourreporting

Testing the resilience of our strategy

Along with other organizations, including the IPCC and IEA, we believe there are a range of global pathways to achieve the Paris goals – each with differing implications for regions, industries and sectors, so business strategies need to be resilient to this uncertainty.

We have conducted analysis to test our strategic resilience to different climate-related scenarios, using the WBCSD (World Business Council for Sustainable Development) Scenario Reference Catalogue, which was developed at the request of TCFD.

The Scenario Catalogue comprises three 'Climate Scenario Reference Families':

- 'Paris Ambitious 1.5°C'
- 'Paris Aligned Well-Below 2°C'
- 'Current Policies/BAU'.

We have drawn on these to test the resilience of our strategy and understand the potential implications of a range of possible energy transition scenarios on bp's reference group outlook to 2030.

Our approach to these scenario analyses and resilience tests, and our key insights from them, are discussed in our TCFD Strategy disclosures in the bp Annual Report 2022.

Overall, while recognizing the limitations of any such analysis, this work reinforces our confidence in the resilience of our strategy to a wide range of trajectories which the energy system could evolve to follow throughout the next decade.

 Read more on scenario analysis and resilience testing on pages 58-61 of the [bp Annual Report 2022](#).

Clean cities and corporates

Our aim 10 is to provide integrated clean energy and mobility solutions.

Our regions, corporates and solutions team is working to help countries, cities and corporations around the world decarbonize.

We provide integrated energy solutions to help large corporations reduce their carbon emissions – bringing together expertise from across bp and from our partners to deliver bespoke responses.

To help meet industrial-scale demand for low carbon energy sources, we work across our portfolio of businesses and trading partners to create and access the supply needed.

We are focused on sectors that have significant emissions and are not straightforward to decarbonize – heavy industry (steel, mining, cement), heavy transport (shipping and road freight) and consumer goods. These sectors have interdependency along their value chains, creating more demand for integration, and creating opportunities to shape new markets and models. We are able to offer them decarbonization as a service – anticipating and adapting to their needs along a transition pathway as technology advances.

We also see opportunities to offer decarbonization at scale through integrated energy hubs, bringing together clusters of supply and demand for low carbon energy and fuels. Hubs provide a focus for accelerating the delivery of lower carbon alternatives and can offer economies of scale, and opportunities for job creation, investment and innovation.

Our progress in 2022

We continued to help corporates meet their complex decarbonization needs, through our one-stop-shop offer and integrated approach.

Integrated energy hubs

In Teesside in the UK, we have worked to advance components of the East Coast Cluster – a vision for decarbonizing local heavy industries at scale, with CO₂ from their emissions taken offshore for permanent storage through Northern Endurance Partnership's (NEP) CCUS facilities. There is potential to store up to 23 million tonnes of CO₂ emissions a year by 2035.

- In May 2022, bp and Equinor were awarded two carbon storage licences in the UK's Southern North Sea, supporting the NEP development.
- HyGreen Teesside aims to be one of the biggest green hydrogen facilities in the UK – targeting hydrogen production by 2025, with a planned first phase of 80MWe of installed capacity. In October 2022 we submitted a bid to the UK government's Hydrogen Business Model and Net Zero Hydrogen Fund. In addition, we signed four new memorandums of understanding with local industries for the potential use of green hydrogen★ by businesses and communities. Two bp-led low carbon projects – Net Zero Teesside Power (NZTP) and H2Teesside – were shortlisted for UK government support in 2022, as part of the next phase of the UK's CCUS cluster process:

- NZTP is a joint venture between bp and Equinor, with bp as operator. The natural gas-fired power plant will be fully integrated with carbon capture. It could generate up to 860MW of low carbon power.
- H2Teesside aims to be one of the UK's largest blue hydrogen★ production facilities, targeting 1GW of hydrogen production by 2030.

In Australia we have taken a 40.5% stake and operatorship in the Australia Renewable Energy Hub (AREH), in the Pilbara region of Western Australia.

 [Read more about AREH on page 29.](#)

Decarbonizing sectors

Industrial emissions

- In Germany we signed a memorandum of understanding with thyssenkrupp Steel that focuses on developing a long-term supply of low carbon hydrogen and renewable power in steel production.
- In the US, bp and Linde announced plans to advance a major CCUS project in Texas that could enable low carbon hydrogen production at Linde's existing facilities. The development will also support storage of CO₂ captured from other industrial facilities, paving the way for large-scale decarbonization of the Texas Gulf Coast industrial corridor.
- In India we opened a new bp pulse EV charging hub and a Wild Bean Café, at Infosys's Pune campus – a base for around 45,000 employees. This is part of a pilot for our work with Infosys to develop an energy-as-a-service offer to manage energy and reduce emissions at corporate parks and industrial complexes across India.

Logistics and transport emissions

Given the diversity of the logistics and transport sector, our work involves several different kinds of decarbonization solutions, including electrification, hydrogen, mobility and biofuels.

bp pulse, our EV charging business, is continuing to grow its network for both passenger cars and the truck industry – with a particular focus on fast★ charging. We are also working with our fleet customers to install and operate charge points at their sites and charging hubs.

We aim to grow our worldwide EV network to more than 100,000 charge points by 2030. In July 2022 we opened our first fast charging facilities for medium and heavy-duty electric trucks at our Schwegenheim retail site in Rheinland-Pfalz, Germany.

In the UK, bp pulse is supporting Addison Lee's EV fleet by providing it with enhanced access to more than 3,000 ultra-fast and rapid★ EV charge points across our public charging network.

bp and BOC, an industrial gases company, have completed a detailed nine-month feasibility study exploring designs for a hydrogen distribution and supply network for heavy-duty transport in the UK.

Rio Tinto and bp have agreed to work together on a one-year biofuel trial to help reduce carbon emissions from Rio Tinto's marine fleet. Under the trial, we are supplying Rio Tinto with marine biofuel, which will be trialled on the RTM Tasman vessel on transatlantic and Atlantic-Pacific routes. The results of the trial will help Rio Tinto assess ways to reduce its carbon emissions from its marine fleet, and inform its future biofuel strategy.

For terms with ★ refer to the glossary on [pages 59-60](#).

We are aiming for a 20% share of global sustainable aviation fuel (SAF) supply by 2030. In March 2022 we announced our agreement to supply DHL Express with SAF until 2026 as part of a new strategic collaboration. This agreement is one of the largest publicly announced SAF deals in aviation to date.

 [Read more on our transition growth investment, on page 28.](#)

Building enduring relationships

We are actively building relationships with organizations that share our priorities to help the world transition to net zero – with a focus on our priority sectors.

For the energy transition to continue at pace, regulators and governments need to provide the right policy frameworks and financial stability for long-term investments. We actively advocate for policies that support net zero and work with trade associations on key climate issues.

 [Read more about our advocacy activities and relationships with trade associations on pages 31-32.](#)

Strategic partnerships in Iberia

In July 2022 we announced our intention to form a strategic collaboration with Iberdrola to help accelerate the energy transition. Through this collaboration, we aim to significantly expand fast EV public charging infrastructure, which will support the adoption of EVs in Spain and Portugal. We also intend to develop large-scale green hydrogen production hubs in Spain, Portugal and the UK.

We have also signed an agreement with the government of Spain's Valencia region to explore ways to reduce emissions from public and private transport and other carbon-intensive industries there. We have other collaboration agreements with ceramics industry bodies, ASCER and ANFFECC, to join forces on decarbonization of the ceramic industry in the Valencia region.



 We aim to grow our worldwide EV network to more than 100,000 charge points by 2030.



Improving people's lives

Ground survey for CCUS projects, Teesside, UK

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Performance and progress

12 Just transition

Reimagining Teesside

Teesside, England, has the potential to become a world-class low carbon hydrogen hub. The region has appropriate natural resources, concentrated demand, hydrogen storage and pipelines, and ample access to carbon capture, utilization and storage.

Our H2Teesside and HyGreen projects, together with the proposed power and carbon capture project, Net Zero Teesside Power, are expected to support local economic and supply chain development. During their construction and operation phases they should also create high-quality jobs – with local skills providers playing a key role in offering training and retraining local communities.

We are working with several partners including the Tees Valley Combined Authority, Teesside University and Redcar and Cleveland College to help inspire the next generation of talent and ensure that local people benefit from near-term job opportunities created by our operations.

5,000+

new jobs set to be created directly or indirectly from our presence on Teesside.

Also contributes to:

10 Clean cities and corporates

34

Five aims to improve *people's lives*

Our aims provide focus and structure for the actions we take to improve people's lives. In 2022 we took further steps to embed social sustainability more systematically and consistently – from independent assessments of our conformance with the bp human rights policy, to confirming that in 2022 we paid all our employees a fair wage.

11 More clean energy

What we have achieved
Developed 1.4GW of renewable energy generating capacity to FID★

This brings the cumulative total of developed renewables to FID to 5.8GW from 2.6GW in 2019.

12 Just transition

What we have achieved
Forged partnerships and collaborations to help communities benefit from the energy transition

We are partnering with others to help local communities build skills in low carbon sectors, including offshore wind, solar and hydrogen.

13 Sustainable livelihoods

What we have achieved
Confirmed that in 2022 all our employees worldwide were paid a fair wage

Analysis in 2022 was based on Fair Wage Network benchmark data and factors such as local market conditions. This dual analysis confirms all our employees were paid a fair wage in 2022 and we plan to implement processes to systematically manage our fair wage approach going forward.

 Read page 40 for more

14 Greater equity

What we have achieved
Launched a social mobility framework for action and business resource group

We are taking action to support people from disadvantaged backgrounds, with more than 1,000 employees showing their support by joining our business resource group.

 Read page 42 for more

15 Enhance Wellbeing

What we have achieved
Provided access to health and wellbeing programmes for all employees

We have introduced new programmes to help employees and their families improve their health and wellbeing.

 Read page 44 for more

For terms with ★ refer to the glossary on [pages 59-60](#).

11

More clean energy

Our aim 11 is to develop enough clean energy to benefit more than 36 million people.

By 2030, we aim to have developed 50GW of renewable generating capacity^a – broadly enough to meet the power needs of 36 million people^b, including exploring ways to make clean energy accessible to those who need it most.

Our progress in 2022

We have set two objectives for this aim:

- 50GW renewable energy equivalent developed to final investment decision (FID) ★ by 2030.
- Develop programmes that support access to affordable clean energy.

 [Read more: Aims and objectives summary](#)

Developing more renewable energy

We set a target to have developed 20GW of renewable energy generating capacity to FID by 2025, with an aim of 50GW by 2030.

By the end of 2022 we had brought 5.8GW to FID, with 37.2GW in our renewables pipeline★. This pipeline includes 10.3GW relating to the Australian Renewable Energy Hub renewable power, green hydrogen and ammonia project in Australia and 1.5GW relating to our Morven offshore wind project in Scotland. Lightsource bp contributed 1.3GW to our pipeline, including a new 148MW project in Trinidad and Tobago, in partnership with Shell.

In January 2022, through our partnership with EnBW, we were awarded a lease option around 60km off the coast of Aberdeen, Scotland, to develop Morven, a major offshore wind project. The award was made in the highly competitive ScotWind leasing round, the results of which were announced by Crown Estate Scotland. The c.860km² lease is located in an advantaged area in shallow water and can be developed as a fixed-bottom offshore wind project with a total generating capacity of around 2.9GW – sufficient to power more than three million homes.

Together with EnBW we are also jointly developing up to 3GW of offshore wind in the Irish Sea through the Morgan and Mona projects.

 [Read about how we are supporting a just transition through project Morven on page 39.](#)

We have formed a 50:50 joint venture with EnBW to develop and operate these offshore wind projects, demonstrating our commitment to collaborate in developing efficient renewable energy for the UK. The projects will play an important role in supporting the UK government's target to produce sufficient offshore wind energy to power every UK home by 2030.

We intend to make Aberdeen our offshore wind centre of excellence for operations and maintenance, to support Scotland's energy transition.

 [Read more about our transition growth investment on page 28.](#)

Access and affordability programmes

We have a number of initiatives under way to help support access and affordability. In 2022 we launched our social investment policy, making access to affordable low carbon energy one of our focus areas for social investment activities where relevant.

 [Read more about our social investment policy on page 41.](#)

We reached an agreement with C-Quest Capital (CQC) to support the growth of its operations in India, where it is implementing projects focused on reducing carbon emissions and on giving Indian families access to sustainable energy services and clean energy technologies. One of the activities we are supporting through this partnership is a carbon offset project that aims to distribute up to 50 million efficient LED lightbulbs to Indian families living in poor rural areas. We are providing carbon finance and a long-term purchase agreement for carbon credits generated from this activity.

In Angola we are supporting a CQC project that aims to deploy efficient cookstoves to 500,000 rural households. The project is expected to generate its first carbon credits in 2023, for which bp has a long-term purchase agreement.

These CQC projects are designed to support several UN Sustainable Development Goals, including improved health, gender equality and affordable and clean energy. We are piloting methods to independently quantify and certify these co-benefits.

a The aggregate quantity, net to bp, of renewable generating capacity that has been developed to the point of final investment decision.

b We estimate that the level of renewable generating capacity we will add is capable of providing enough renewable power to meet the needs of around 36 million people based on a 2019 global average electricity consumption per capita value.

For terms with ★ refer to the glossary on [pages 59-60](#).

Just transition

Our aim 12 is to support a just energy transition that advances human rights and education.

We support the Paris Agreement, which recognizes the importance of a just transition – one that delivers decent work, quality jobs and supports the livelihoods of local communities.

To support a just energy transition, we aim to collaborate with key stakeholders and other industries to support the advancement of human rights through the transition. We will do this by developing just transition plans in priority areas and helping the workforce to develop skills for the future energy system, taking a socially inclusive approach. We aim to build stronger relationships with local communities, based on mutual trust and respect, and will support civic dialogue, greater transparency and capacity building, where we work.

Our progress in 2022

We have five objectives for this aim:

- Enable a just transition for the workforce.
- Support civic dialogue, transparency and local capacity.
- Decent work.
- Respect and remedy.
- Responsible security.

In 2022 we made progress against most of these objectives and continued developing the systems and processes we need to improve the quality of our community relationships.

 Read more: [Aims and objectives summary](#)

Our approach to human rights

Respect for human rights provides the foundation for an inclusive and just transition. It underpins our aims and, through our code and human rights policy, guides the way we work.

 Read more: [bp.com/humanrightspolicy](#)

Enabling a just transition

We support the International Labour Organization Guidelines on Just Transition and believe that respect for human rights, and strong environmental and social performance, are necessary for a just transition. Our policies and practices reflect this belief. We are collaborating with relevant stakeholders to support the advancement of human rights during the energy transition.

Just transition for our workforce

We use skills forecasting and capability planning to guide our work, for example, in employee development and talent attraction, in order to build the skills needed for a just transition. In 2022 this work included:

- Attracting more than 9,000 employees to sustainability-focused sessions during our growth week events and launching other learning offers in support of our energy transition growth engines, for example 'EV for Everyone'.
- Reskilling 'bootcamp' events focused on digital and data, that targeted around 200 employees.
- Internal and external recruitment campaigns focused on our transition growth engines, to enable job changes in bp and bring in new skills.
- Collaborating with specialist organizations to build our capability – for example, with Quaybridge to accelerate our offshore wind expertise.
- Building leadership capability at all levels, so that employees can apply their skills in new contexts.

Activities of this kind are reinforced by our commitment to engage employees around our low carbon growth plans, for example through our employee communications and consultation forums and our engagement with unions.

We are working with internal and external stakeholders to help us refine and progress our objectives.

 Read more about developing our people on [page 12](#).

 Read more about our engagement with unions on [page 53](#).

Just transition for local communities

As part of our transition growth engine projects we aim to launch, participate in, and support many different initiatives. We are focused on supporting community regeneration and resilience, skills development for a just transition, and education about clean energy. In developing these initiatives, we engage people in local communities and use the insights they provide to help maximize our impact.

Our efforts are focused on several key locations, including Scotland, where we are supporting skills development for the offshore wind industry with our JV partner EnBW. Together we have invested over £1 million to support X-Academy to achieve its reskilling and professional development objectives. This investment is part of our Project Morven.

We are also supporting skills development through the Aberdeen Hydrogen Hub, a joint venture with Aberdeen City Council to help achieve its vision of scalable green hydrogen production, storage and distribution infrastructure in the city, powered by renewable energy.

 Read our Reimagining Teesside case study on [page 36](#).

Outside the UK we have sponsored the training company Shams Global Solutions to develop Oman's first solar training facility; and in the US we have launched a clean energy community grant programme with Equinor and other partners, to support workforce development linked to New York City's emerging offshore wind ecosystem.

Collaborating for a just transition

We believe action to advance a just transition is most effective when governments, businesses, workers, local communities and other stakeholders work together. We advocate for governments to play a leading role, through the introduction of climate and energy policies that address negative social impacts and maximize social benefits.

 Read more: [bp climate policy positions](#)

We are involved in several collaborations to help energy businesses support a just transition. For example, our CEO is a member of the Council for Inclusive Capitalism's steering committee and helped lead its just transition workstream. We are also a member of IPIECA's Just Transition Taskforce and of Energy for a Just Transition, which is led by Business for Social Responsibility and The B Team.

In the UK we represent our industry in the Green Jobs Delivery Group, established by the government in 2022. Our head of UK and SVP Europe sits on the Business in the Community Climate Action Leadership group and we supported the development of its Manifesto for a Just Transition.

As the regions and cities where we operate begin to plan for the energy transition, we aim to be an active partner collaborating on just transition plans. For example, with Aberdeen City Council and the World Energy Council, we have funded research to explore ways to achieve a clean and just energy transition. This was the first of a three-part initiative to test actions at scale with public, private and community partners.

Supporting civic dialogue and transparency

We are a member of several organizations that focus on supporting civil dialogue, transparency and capacity building, including EITI (Extractive Industries Transparency Initiative), the Voluntary Principles on Security and Human Rights Initiative (VPI) and IPIECA.

We are aware of the vulnerabilities of human rights defenders, including those who speak up for local communities near our operations. Defenders may be at risk of harassment, intimidation, violence and other forms of harm. Through the VPI and together with other organizations, including IPIECA, we are helping address these issues.

As the energy transition evolves, we will continue working with third parties, including NGOs, to build capacity for transparency, good governance and the rule of law. To support our regional HSE, security, ethics & compliance, and contractor teams, we provide human rights training and undertake awareness-raising activities.

Decent work

We believe decent work is fundamental to a just transition and should be underpinned by respect for human rights and labour rights. The prevention of modern slavery is integral to this. We provide training to help our social practitioners, people & culture and procurement teams identify and manage labour rights and modern slavery risks, and to understand relevant requirements in our operating management system.

In 2022 we continued our efforts to improve working conditions at our sites and in our supply chains. We embedded a systematic approach across our operated businesses and improved bp teams' capability to engage the workforce and recognize potential issues or risks. In addition, we improved our supplier risk assessment and questionnaires, prioritizing the pre-contracting stage as a critical point in supplier engagement.

 Read more: bp.com/modernslavery

Respect and remedy

In line with our human rights policy commitment, we commissioned an independent third party to assess our conformance with our human rights policy. It included a systematic review of the way we identify and manage human rights issues, in the context of our policies, processes and systems, including grievance mechanisms and remediation. Two sites were also reviewed by the third party to assess how they implement our human rights policy.

These reviews highlighted opportunities for improvement, including better risk management, improved training and clearer accountabilities. We are sharing these recommendations with our sites and our central teams and developing plans to address them.

Community trust and engagement

We engage with local communities and work to manage any concerns they have, in ways that are respectful and transparent. Identifying the people most likely to be impacted by our actions is key to our approach.

For example, at our Fowler Wind Farm in Indiana, US, we engage regularly with over 500 families who live and work adjacent to the site. We aim to be a good and respectful neighbour and our site team works closely with local communities. We consider how the community may be impacted by our daily work. We have put in place formal and informal feedback mechanisms and we respond promptly to resolve any concerns raised.

In collaboration with our strategic partner, Shift, a leading centre of expertise on the UN Guiding Principles, we are working to assess the quality of our community relations. In Trinidad and Tobago we have piloted a framework for evaluating corporate performance from a community perspective. This pilot will inform our approach in other locations.

We are currently developing processes across our operations to improve the way we address local community expectations and manage impacts and risks.

Community complaints in 2022

Overall, the total number of complaints decreased compared to previous years.

Our refineries managed 60% of all community complaints and feedback and our production businesses managed 35%. Around 50% of the complaints in 2022 related to operational nuisance, such as odour, noise and dust. We seek to understand community complaints and where we identify that we have caused or contributed to adverse impacts, we provide for or co-operate in their remediation.

Responsible security

In 2022 we made further progress with our implementation of the Voluntary Principles (VPs) on Security and Human Rights wherever we operate – helping us move towards our 2025 targets. The VPs help us manage conflict and human rights risks at sites and in local communities.

We updated our security risk management process by introducing a new risk assessment tool, which includes further verification of our private security contractors' commitment to conduct security activities in line with our code and human rights policy. In January 2023 our teams started using this tool to regularly evaluate concerns or risks, to escalate these to stakeholders, including senior leadership if appropriate, and to strengthen security responses that show respect for local communities.

We provided our procurement teams with updated security and human rights clauses to incorporate into new contract templates where private security services are included and expect these to be in place by the end of 2023. This will help us to systematize and strengthen our expectations of private security services providers, evaluate contractors' performance to progress necessary security reforms, and improve the consistency of their performance on our behalf. We also strengthened our security and human rights risk assessment process by introducing components of the Voluntary Principles Initiative Conflict Analysis Tool for Companies^a. As of January 2023 our teams have begun to assess conflict risks using this new process.

 Read more: bp.com/humanrights

^a The Voluntary Principles Initiative Conflict Analysis Tool for Companies is a resource that helps employees to understand the dynamics of conflict in a particular area of operation, determine our impact on those dynamics, and generate options to mitigate negative impacts.

13

Sustainable livelihoods

Our aim 13 is helping more than one million people build sustainable livelihoods and resilience.

We will support the communities where we work to build greater resilience and more sustainable livelihoods. We will focus our social investment in support of our sustainability aims. Through these actions we aim to reach more than one million people. We will also support our workforce through quality jobs with fair conditions.

Our progress in 2022

We have set three objectives for this aim:

- Support livelihoods in the communities where we operate.
- Strategic social investment in support of sustainability.
- Fair wage and remuneration for our workforce.

 [Read more: Aims and objectives summary](#)

Support livelihoods

We operate in communities around the world and want to support them in developing sustainable livelihoods and building resilience. We are taking steps to become more systematic in the way we do so.

We continued our long-standing efforts to support livelihoods, throughout 2022.

- In Trinidad and Tobago we invested in educational programmes to support skills development – including the Brighter Prospects scholarship programme, which supported over 80 students including 22 new scholarships in 2022.
- In Egypt we worked in partnership with local communities on job creation, microfinance, education and health projects. Through the microfinance programme, we have supported small business ventures by making more than 9,500 interest-free loans.
- In India we rolled out an EV-readiness training programme for over 10,000 mechanics – equipping them with the skills to develop their businesses and livelihoods as EVs come onto the market.
- In Portugal through the training and employability programme offered by the non-profit organization, CAIS, we provided vulnerable people with skills to help improve their job prospects – to date, around 70% of people who have completed the programme have been employed at bp retail stations.
- In Australia we have partnered with leading food rescue charity, OzHarvest, to fuel its fleet of 70 vans and donate quality surplus food from 120 bp retail sites. Since the partnership started in 2017, OzHarvest has rescued around 300,000kg of food from our sites, the equivalent of more than 900,000 meals for Australians experiencing food insecurity. In 2022, our funding also helped support nearly 50 vulnerable young people to train for a hospitality qualification.
- We supported a number of initiatives focused on helping refugees to build skills and access employment. We are a member of the Tent Partnership for Refugees and we have employed over 100 refugees. We also provided funding

for the AFS Global STEM Changemakers programme, which awarded 20% of the places on its 'Accelerator' programme to refugees and internally displaced people.



[Read more about our open house careers workshop on page 54.](#)

Addressing financial hardship

The Russia-Ukraine war and sanctions on Russia have put pressure on energy supplies and resulted in price increases. Other economic factors have also created high inflation and financial pressure across Europe. The taxes we pay can contribute to government action on poverty alleviation. In addition, we have given financial support to various national and local initiatives.

In the UK in 2022, we donated more than £14 million to fuel and food poverty charities and social innovation programmes, to help the most vulnerable people during the winter. For example, we funded:

- An Energy Systems Catapult trial of a new digital service, Warm Home Prescription, which identifies vulnerable people and helps them to heat their homes to healthy temperatures at no extra cost.
- Fuel Bank Foundation – the only UK charity specifically focused on supporting people living in fuel crisis who do not have enough money to top up a prepayment meter.
- The National Business Response Network, set up by Business in the Community, which enables businesses to develop rapid responses to support local communities in need.
- The Retail Trust's financial aid programme, which provides grants to UK retail workers in financial difficulty.

In Spain we donated €10 million to Red Cross Spain to help address energy poverty and its consequences, especially for the most vulnerable

people and families. More than 70,000 families will benefit from reduced energy costs and energy efficiency advice through this initiative.

Strategic social investment

We are currently defining a more systematic and effective approach to social investment. This will involve refocusing our social investment spend, so that 70% goes to initiatives that both support community needs and align with our aims. The other 30% will be used to address local priorities and needs that fall outside of our focus areas.

To support this refocus, in 2022, we launched a policy that covers new social investment, non-marketing sponsorships and donations. It will help us improve the global consistency and focus of our investment activities, including alignment with our aims. In 2023 we will roll out updated guidance about how to implement this policy, taking into account recognized best practice.

bp Foundation

The bp Foundation, a charitable organization separate from but entirely funded by bp, supports our employees and local communities through matched funding and charitable contributions. It also supports disaster relief efforts.

In 2022 the bp Foundation supported disaster and humanitarian relief in Australia, South Africa, Pakistan, Canada and the US.

In February 2023, following the earthquake in Türkiye and Syria, bp and the bp Foundation made a donation to support relief efforts in Türkiye and Syria. This will be supplemented by funds donated by employees and matched by the Foundation.

Fair wage and remuneration

In 2020 bp became the first major energy, mobility and convenience employer to be accredited as a Living Wage Employer in the UK by the Living Wage Foundation.

When we launched our aims in 2021, we said that we plan to set 2025 and 2030 targets for our fair wage objective. We conducted reviews across our businesses during 2022, to establish if our employees are being paid fair wages – by which we mean a wage that meets employees' basic needs. These reviews were based on Fair Wage Network benchmark data for a typical-sized family and an average number of workers per family. They also took into account factors such as local market conditions.

Our analysis showed that in 2022, all our employees worldwide were being paid a fair wage. However, we want to be systematic in our approach, and so, by 2025, we intend to put in place the governance and processes required to enable us to systematically manage our fair wage approach. For example, we will need to review pay in any companies we acquire.

Our support for humanitarian work in Ukraine

We have committed \$20 million to relief efforts, directing our donations and resources where they will have greatest positive impact for families in Ukraine and people displaced in neighbouring communities.

We have supported major international charities as well as regional partners such as Polish Humanitarian Action. Our donations have helped to meet the most basic needs, including food and clean water, good sanitation, child protection, educational resources and health services. Through our relationship with the HALO Trust, we have also helped fund landmine clearance and training about how to recognize, avoid and report lethal hazards.

In addition, bp employees have donated almost \$500,000 which, thanks to a double match programme for Ukraine from the bp Foundation, resulted in a total donation of around \$1.5 million.

We have worked with our European businesses to see if we can support refugees. Since February 2022 we have recruited more than 100 Ukrainian nationals. In the UK we have signed the government's Jobs for Ukraine Pledge, so that those displaced from Ukraine can be supported in the job market.

14

Greater equity

Our aim 14 is greater diversity, equity and inclusion for our workforce and customers, and to increase supplier diversity spend to \$1 billion.

We want our workforce and customers to experience greater equity – fair treatment according to everyone's different needs and situations – while also helping our partners in the 'bp ecosystem' do the same. We will aim to do this by improving workforce diversity and workplace inclusion, making customer experiences more inclusive, and increasing our annual expenditure with diverse suppliers, including female and under-represented or minority groups, to \$1 billion by 2025.

Our progress in 2022

We have set three objectives for this aim:

- Diverse workforce, inclusive workplace culture and employee experience.
- Inclusive customer experience.
- Multiply diversity, equity and inclusion (DE&I) impact through ecosystem partners and suppliers.



Read more: [Aims and objectives summary](#)

Our focus on DE&I including our goals to increase representation of diverse talent and build and inclusive culture, can help us become the first-choice integrated energy company for the world's best and brightest talent – a bp that reflects our customers and sources products and services from an increasingly diverse supplier base.

 Read more: [DE&I report](#)

Workforce DE&I

Building on the work we completed in 2021, our focus in 2022 was on defining and embedding our governance process, and improving access to data insights that will support progress. All bp businesses have now set DE&I actions plans, based on the three pillars of our global framework: transparency, accountability and talent.

With six of the 11 positions in our leadership team already held by women, we reset our gender ambition. By 2025 we aim to have equal numbers of women and men in our top 120 leadership roles, with 40% of roles at the next leadership level filled by women. Our goal is to have women occupying at least half of all our Group leader roles by 2030, with 40% at every other level. In 2022 33% of Group leader roles were filled by women (2021: 32%).

We also made progress on our ambition to increase minority representation in the UK.

Our workforce DE&I highlights included:

- Introducing our hiring inclusively programme, which utilizes skills availability data for gender and ethnic minorities, enabling recruiters to take an inclusive, equitable approach to sourcing candidates, in line with overall availability.
- Continuing the roll-out of our Race4Equity training programme which is now mandatory for employees in the US and UK, having been delivered to more than 90% of our most senior leaders.

- Launching our social mobility framework for action, along with plans to create more work experience placements and apprenticeship opportunities for people from disadvantaged backgrounds.
- Including socioeconomic background in our self-identification system for employees.
- Establishing a DE&I Council in the UK to ensure that our most senior-level leaders are accountable for DE&I, with a US DE&I Council already in place.
- Rolling out frameworks for action on DE&I in Mexico and Trinidad and Tobago, with other countries focusing on their specific priorities – including indigenous people's inclusion in Australia and our trans-inclusion programme, Transform, in Spain.

Our business resource groups

Our 14 employee-run business resource groups (BRGs) support engagement and help our people feel recognized, connected and supported. They also play an important role in creating a sense of belonging and help drive delivery of our DE&I objectives and priorities globally. For example, nearly 250 BRG members have been trained to participate in interview panels to ensure a fair candidate assessment and selection process.

In 2022, we launched a social mobility BRG, which now has more than 1,000 members worldwide. It has run several networking events and conducted an insights survey, to highlight the experiences of employees from lower socioeconomic backgrounds. Its mentoring circles programme, launched at the end of 2022, currently has 130 registered participants.

 Read more: bp.com/DEI

Inclusive customer experiences

We have mobilized around 200 colleagues from across bp to champion more accessible and inclusive customer experiences in our convenience and mobility businesses. We have also introduced a systematic measurement approach that enables us to gather direct feedback about the inclusivity and accessibility of bp customer experiences in 15 markets globally.

We continued to implement specific improvement activities throughout 2022, including:

- Extending our existing UK partnership with Fuel Service into a US pilot, so customers with physical disabilities can call or message ahead on journeys to arrange assistance at bp retail sites.
- Completing an accessibility audit of more than 300 UK bp-owned sites, to guide our improvement actions and provide richer accessibility data for consumers. Insight reports about car parking, entrances, circulation and toilets have been produced and will help to improve accessibility during refurbishment programmes.
- Developing a new training module for our frontline retail staff, with a focus on recognizing and supporting diversity in our customer base. This module has been launched in Australia and New Zealand and is set to be rolled out globally in 2023.
- Piloting inclusivity training for colleagues in our customers & products communications teams, to help make our marketing communications more inclusive.

Multiplying DE&I impact with partners and suppliers

Supplier diversity

When we set our aim and targets for supplier diversity in 2020 we knew they were ambitious and would be challenging. We have started by streamlining our systems and processes, so we can effectively measure our progress – and we are learning as we go.

We grew our preferred diverse supplier base from around 370 to just over 440 in 2022, and, through our Supplier Diversity Advocacy Council, which promotes relevant initiatives, we implemented a buying inclusively process. This involves embedding guidelines and principles into our procurement processes to support an increase in our spend with diverse suppliers. We also integrated a diverse supplier registration platform into our procurement system, giving our procurement teams access to nearly 10,000 certified diverse suppliers worldwide.

We established new partnerships with four global certifying agencies and one chamber of commerce, to access broader networks of diverse suppliers. We also set ambitions with regional leaders to become advocates for supplier diversity.

As a result of our efforts, we achieved a 50% increase in spend with diverse suppliers in the US and UK.

What we mean by a diverse supplier

We define a certified diverse supplier as a for-profit business that is at least 51% owned, operated, managed and controlled by people with one of the following designations: women's business enterprise, minority business enterprise, LGBT+ business enterprise or disability-owned business enterprise. These designations can differ across regions. For example, in the US we also recognize veteran and service disability-owned businesses.

Supporting diverse suppliers' development

We work with external partners to create professional development programmes that help diverse-owned businesses compete for contracts. Through our national and regional partnerships, we provided relevant coaching and mentoring to over 80 women's business enterprises and around 25 minority business enterprises in 2022.

The professional development programmes we offer for diverse-owned businesses in the US, include:

- The Women's Business Enterprise National Councils Energy Executive Programme – an interactive professional development course which is run collaboratively with others in our industry.
- An Emerging Young Entrepreneur programme run by the National Minority Supplier Development Council.
- The Women's Business Development Council's 2022 Top Shelf Retail & Professional Services Programme – an employee development initiative focused on potential retail and convenience suppliers in the Midwest.
- Our own Diverse Supplier Partner Programme, launched in 2022, which matches bp procurement professionals as mentors to diverse suppliers.

We also sponsored the inaugural Business of the Year award at the UK Powerlist Black Excellence Awards, to recognize black businesses who have been successful in their sector while also making a contribution to the wider economy.

Enhance Wellbeing

Our aim 15 is to enhance the health and wellbeing of our employees, contractors and local communities.

We will support them to proactively improve their physical and mental health – through innovative programmes, partnerships and offers.

Our progress in 2022

We have set three objectives for this aim:

- Promote proactive measures to improve the health and wellbeing of our workforce and their families.
- Improve awareness and understanding of mental health challenges in the workplace and community.
- Create access to and build awareness of physical and mental health resources in the communities where we work.

 [Read more: Aims and objectives summary](#)

Workforce health and wellbeing

To assess wellbeing across bp we use a wellbeing index^a that is included in our 'Pulse' and 'Pulse live' employee surveys.

Results from the 2022 'Pulse' annual survey showed that employee wellbeing increased one point to 68% (2021 67%). This score reflected a one-point increase in perceptions of leadership support and a seven-point increase in workload manageability.

We continued promoting our new wellbeing platform, Thrive@bp, to support members of our workforce and their friends and families. We also launched the Thrive Together global physical activity challenge, along with a new global approach to our health and wellbeing campaigns.

Our campaign focus areas were selected based on the health risks of our workforce, including health topics that disproportionately impact specific groups. Our activities included:

- Launching a cancer awareness campaign on our intranet, onebp, with content that achieved more than 52,000 views.
- Doubling the membership of our menopause support online group to nearly 300 and actively promoting International Women's Day.
- Running webinars on men's health, which focused on issues including cancer detection and the importance of social connections to support mental health.
- Raising awareness of cardiovascular risks through our healthy hearts programme and involving employees in competitive health-related activities through our global Thrive Together Food from around the world challenge.

- Publishing an LGBT+ health guide in partnership with our BRGs, to ensure we continue to create an inclusive and diverse workplace.
- Launching a new ergonomic training and self-assessment health tool in several countries.

With the launch of Thrive@bp, 100% of our employees now have access to a health and wellbeing programme.

Global health hubs

We continued to implement our global health hubs strategy, which aims to improve access to high-quality health resources for employees and their families. The strategy focuses on the creation of health teams that support all bp businesses in a specific region. Health hubs in the UK and in the Azerbaijan, Georgia, Türkiye and Caspian region, are now fully operational.

Mental health

We continued our efforts to create a workplace in which people can talk openly about mental health and get help if they need it. We updated our mental health training programmes, which are designed to build employees' awareness and their ability to care for themselves and others. We provide specific training for line managers so they can discuss mental health with their teams and foster a culture of caring.

bp is a founding partner of The Global Business Collaboration for Better Workplace Mental Health, and in 2022 we formed a new partnership with MindForward Alliance, to promote global standards for workplace mental health.

To promote our support for improving mental health at work, in the US we also sponsored the

Carolyn C. Mattingly Award for Mental Health in the Workplace, which recognizes and celebrates exemplary organizations.

In October 2022 we ran a comprehensive activity programme to support World Mental Health Day, including awareness raising, discussion, and learning sessions. Our video, 'This is me', which highlights some of our employees' mental health journeys, had 7,500 views. In the same month we launched our new employee assistance programme (EAP) hub app, which is provided by ICAS International. It provides access to one-to-one support from a counsellor and personalized self-help content. More than 8,000 individuals accessed our EAP tool in 2022.

bp employees and their families have free access to the third-party Headspace app, which offers services to support mental health and wellbeing. More than 8,300 bp employees and 400 family members used the app in 2022. In addition, our resident bp psychologist also ran mental health sessions that reached more than 7,000 employees.

Community health and wellbeing

We made further progress in developing activities to support our community health and wellbeing objectives. For example, in the US we completed a benchmarking study with Georgetown University that identified opportunities to develop academic, corporate and community partnerships in support of mental health and wellbeing.

We already have a community health programme in place in Mauritania and Senegal, which completed its second phase of development in 2022. This phase focused on providing mobile medical clinics, medicines and equipment.

^a The 'flexible working' question in the wellbeing index was adjusted in 2022 to be more inclusive of our frontline employees.



Caring for our planet

Beachfield gas facility, Trinidad and Tobago

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Performance and progress

16 Enhancing biodiversity

Positive action

We have passed two important milestones for our biodiversity aim, with the introduction and application of our net positive impact methodology (NPI), and the launch of our new biodiversity restoration projects. Both support our aim to make a positive impact through our actions to restore, maintain and enhance biodiversity where we work.

We are putting our NPI methodology into practice in new projects – starting with a pipeline project in an area of high biodiversity importance in Trinidad. The methodology has enabled us to estimate biodiversity losses during the project, but also assess biodiversity gains that could be achieved through habitat restoration.

Using detailed mapping of the pipeline corridor, we have prioritized measures to minimize the site footprint with our contractor, while investigating options for restoration and biodiversity offsets.

Five aims to care for **our planet**

We have made progress on all our planet aims in 2022 and are starting to see impacts on the ground – from the identification of tangible water efficiency opportunities at our refinery in Castellón, Spain, to our support for direct biodiversity restoration in Trinidad and Tobago.

16

Enhancing biodiversity

What we have achieved

Launched three new biodiversity restoration projects

Working with local partners we are supporting projects in Türkiye, Georgia and Trinidad and Tobago.

17

Water positive

What we have achieved

Completed our first water efficiency assessment

We have introduced site-based water efficiency assessments to identify operational efficiencies, starting with our refinery in Castellón, Spain.

18

Championing nature-based solutions

What we have achieved

Developed a carbon credit integrity centre of excellence

We have established a centre of excellence in our trading and shipping business to conduct due diligence on bp-originated projects, and scaled up our work to originate high-integrity nature-based carbon credits.

 Read page 47 for more

19

Unlock circularity

What we have achieved

Launched our new circularity framework and waste metrics

Our new framework and waste metrics will guide bp businesses to identify, implement and measure opportunities for circularity.

 Read page 50 for more

20

Sustainable purchasing

What we have achieved

Targeted high-impact procurement categories to reduce emissions and improve circularity

We have focused on logistics, utilities and EV chargers to test our approach to sustainable procurement.

 Read page 51 for more

Enhancing biodiversity

Our aim 16 is making a positive impact through our actions to restore, maintain and enhance biodiversity where we work.

We will do this by putting our biodiversity position into action. In doing so, we expect that from 2022 all new bp projects in scope will have plans in place aiming to achieve net positive impact (NPI), with a target to deliver 90% of actions within five years of project approval. We also aim to enhance biodiversity at our major operating sites and support biodiversity restoration and sustainable use of natural resource projects in the countries where we have current or growing investments. We will also continue to work with others, including our joint ventures, to influence and promote collective action on biodiversity.

Our progress in 2022

We have set three objectives for this aim:

- bp projects – aim to achieve NPI.
- bp operations – aim to enhance biodiversity.
- bp countries – support biodiversity restoration and the sustainable use of natural resources.

 Read more: [Aims and objectives summary](#)

Our biodiversity position, published in 2020, builds on the robust practices we already had in place to manage biodiversity across bp projects.

 [Read our biodiversity position:
bp.com/biodiversityposition](#)

International policy and external engagement

The UN Biodiversity Conference (COP15) finalized its Kunming-Montreal global biodiversity framework in 2022. It includes 2030 targets and 2050 goals to put biodiversity on a path to recovery. We supported calls for clear, concise and ambitious targets for nature at COP15, through IPIECA and the UK Business & Biodiversity Forum. We also promoted the need for action as a member of Business for Nature and the World Business Council for Sustainable Development (WBCSD). We plan to assess the implications of the COP15 goals and targets in 2023.

As a member of the Taskforce on Nature-related Financial Disclosures Forum (TNFD) we are piloting its draft framework together with WBCSD and IPIECA. We will provide feedback to TNFD and use the pilot to inform how we develop our approach to managing impacts, dependencies and nature-related risks.

We contributed to a number of cross-industry groups during 2022.

- We supported IPIECA's Biodiversity & Ecosystem Services Working Group and the UNEP-WCMC Proteus Partnership.
- We participated in the Science-Based Targets for Nature (SBTN) initiative as a corporate member.
- We sponsored the UK Business & Biodiversity Forum, which together with the International Chamber of Commerce UK and the Institute of Environmental Management and Assessment, supports businesses in integrating biodiversity into their activities.

Net positive impact in our projects

We have integrated our NPI biodiversity methodology into several new bp projects, including a pipeline replacement project under way in Trinidad and Tobago.

 [Read our case study about this project on page 45.](#)

We are also trialling new digital technologies to monitor biodiversity. For example, in partnership with Microsoft, we are building a digital platform capable of importing biodiversity and other environmental data. We will use this platform to help develop biodiversity monitoring and comparison tools.

Biodiversity enhancement in our operations

bp owns, leases and manages land and is licensed to use sea areas for our operations. This means we have opportunities to enhance biodiversity around our operating sites. We are currently defining how we can integrate support for specific biodiversity initiatives into these operations by creating biodiversity enhancement plans. Some of our operations are already taking action. For example, at our Cherry Point refinery, we are focused on managing the 2,500 acres of rural land around the refinery for ecological restoration, habitat preservation and enhancements such as restoring wetland.

Biodiversity restoration

We supported several biodiversity restoration projects in countries where we operate, during 2022. These projects, led by local organizations, are expected to deliver benefits over the next three to five years. They include the restoration of seagrass and coral reefs in Tobago, forest and maquis ecosystems in Türkiye and biodiversity in the Ajameti Managed Reserve in Georgia. We are also supporting a one-year feasibility study in the Upper Bhima and Ghod Basin, India, which aims to identify important biodiversity areas for future conservation or restoration.

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Water positive

Our aim 17 is becoming water positive by 2035.

We aim to replenish more fresh water than we consume in our operations. We will do this by being more efficient in operational fresh water use and effluent management, and by collaborating with others to replenish fresh water in stressed and scarce catchment areas where we operate.

Our progress in 2022

We have set two objectives for this aim:

- Improved efficiency of operational freshwater use and effluent management.
- Collaboration on the most impactful opportunities to replenish water in stressed and scarce catchments where we operate.

 [Read more: Aims and objectives summary](#)

In order to understand the water-related challenges that we face, we review the water impacts, risks and opportunities at our major operating sites. These reviews consider the quantity and quality of water used as well as any regulatory requirements.

We reviewed the internal standards, practices and guidance that underpin our water activities during 2022, to confirm they support our sustainability frame. We are currently updating them on the basis of this review.

We are also considering how best to respond to evolving external frameworks on water positivity and will continue to refine our water stewardship practices as these develop.

Our water consumption in 2022

We saw a 9.8% fall in freshwater withdrawals and a 7.5% fall in freshwater consumption, compared with our 2020 baseline^a. This was largely due to a decrease at some of our refineries brought about by higher maintenance activity and withdrawal restrictions at Gelsenkirchen because of dry summer weather. This was partially offset by an increase in consumption due to increased drilling and production activity at our bpX energy operations.

We actively manage our freshwater demands in areas of stress and scarcity. Based on analysis that utilized the World Resources Institute (WRI) Aqueduct Global Water Risk Atlas, in 2022, five of our 17 major operating sites were located in regions with medium to extremely high water stress. Based on anticipated changes in the areas WRI identifies as water stressed, this number is set to increase by 2030 (assuming a business-as-usual scenario with no portfolio changes).

At major operating sites, 0.1% of our total freshwater withdrawals and 0.6% of freshwater consumption were from regions with high or extremely high water stress in 2022 (2021 0.1% and 0.6% respectively).

Our wastewater treatment concentrations have slightly increased owing to lower discharge volumes at the refineries. The average chemical oxygen demand concentration of the treated water discharged from bp-operated treatment facilities to the freshwater environment was 42ppm.



[See more water data: \[bp.com/ESGdata\]\(http://bp.com/ESGdata\)](#)

Improving water efficiency

We introduced detailed, site-based water assessments in 2022, to help identify further operational efficiencies. Our refining business completed an assessment of this type at Castellón, Spain, and assessments are now under way at other refineries.

Through our projects organization, we ran water value improvement workshops in the UK, Germany and Spain. The recommendations from these workshops will be carried through to subsequent design phases of relevant projects.

The installation of water meters and other monitoring activities at our Silvassa Castrol plant in India has resulted in a detailed site water balance. Based on this, Silvassa, which is in an area of medium to high water stress and high drought risk, has implemented improved leak detection, maintenance and conservation measures, including the reuse of treated wastewater for on-site irrigation. Silvassa has achieved a 66% reduction in water use and is investigating the potential of other water stewardship activities, including rainwater harvesting and managed aquifer recharge.

Water replenishment collaboration

We aim to work with others to replenish water, focusing on catchments where we can achieve the biggest impact. We intend to measure the impact of any collaborations by utilizing volumetric water benefits, as defined by the WRI.

We have contracted with The Freshwater Trust (TFT) to run a pilot project that will assess the potential of TFT's BasinScout® Analytics tool to support our corporate water stewardship and sustainability objectives. The tool helps to assess the cost-effectiveness of potential conservation investments. The pilot will focus on two areas of Colorado, US, where we have operations in stressed water catchments. It will assess BasinScout®'s effectiveness in enabling us to prioritize cost-effective actions that achieve multi-benefit outcomes for freshwater resources, habitats and land-based economies in the region.

^a The baseline freshwater consumption is defined as 55.9 million m³.

Championing nature-based solutions

Our aim 18 is championing nature-based solutions and enabling certified natural climate solutions.

We aim to use nature-based solutions (NbS) to deliver value and contribute to our people and planet aims in our operations and through our business activities. We will also support the development of scalable markets for certified natural climate solutions that help the world reduce deforestation, get to net zero and deliver environmental and social benefits.

Our progress in 2022

We have set two objectives for this aim:

- Use nature-based solutions (NbS) to deliver value and contribute to our people and planet aims.
- Enable emissions reductions through investments in certified natural climate solutions (NCS).

 Read more: [Aims and objectives summary](#)

Nature-based solutions

We continued developing our NbS action plan in 2022. We are focusing on several aspects, including: opportunities to incorporate NbS in our engineering practices; raising awareness and improving understanding of NbS; and evaluating the costs and benefits of NbS compared with more standard engineering solutions.

What are nature-based solutions and natural climate solutions?

Nature-based solutions are actions to protect, sustainably manage and restore natural or modified ecosystems that address societal challenges effectively while simultaneously providing human wellbeing and biodiversity benefits.

Natural climate solutions are a subset of nature-based solutions that focus on actions to reduce or remove greenhouse gas emissions through nature conservation, restoration and improved land management.

Natural climate solutions

We are supporting efforts to scale up high-integrity NCS, which can deliver environmental and social benefits and contribute to reducing global emissions. We only originate and trade carbon credits certified to third-party standards.

Our centre of excellence in our low carbon trading team conducts project due diligence above and beyond that provided by third-party standards on our originated projects and programmes. We are learning more over time and working to create new high-integrity opportunities in the voluntary carbon market. We want to support projects that protect standing forests and other natural ecosystems, as well as sustainable development opportunities in local communities. We expect our approach to evolve in line with market developments.

We continued growing our originated portfolio of verified carbon credits throughout 2022. In 2021 our NCS programme in Mexico, together with the US Agency for International Development and our partner Pronatura Mexico A.C issued its first credits from 15 initial improved forest management projects. Fourteen new projects issued credits for the first time in 2022.

We enhanced our external engagement to support the growth of high-integrity carbon credits in carbon markets. For example, we participated in a consultation on the Integrity Council for Voluntary Carbon Markets' (IC-VCM) Core Carbon Principles (CCPs) and Assessment Framework. The IC-VCM is a governance body established to set global standards for the voluntary carbon market. We support its mission to ensure the voluntary carbon market helps deliver the goals of the Paris Agreement. We welcome the development of the CCPs as a global threshold for carbon credit integrity and provided feedback on their Assessment Framework.

We also submitted our response to the EU Commission's consultation on a regulatory framework for the certification of carbon removals and, as a member of World Economic Forum Ocean 100, participated in its discussion on exploring blue carbon opportunities.

We currently participate in several other NCS-related trade associations:

- Oil and Gas Climate Initiative NCS working group
- World Business Council for Sustainable Development NCS working group
- NCS Alliance
- International Emissions Trading Association (IETA) Working Group for NCS and the IETA Markets for NCS Initiative
- City of London UK Voluntary Carbon Markets Forum.

Unlock circularity

Our aim 19 is to unlock new sources of value through circularity.

We want to keep materials in use for longer and value them throughout their lifecycle. We will do this by using resources responsibly and embracing circular principles in design, operations and decommissioning and aim to work with partners and our joint ventures to create opportunities.

Our progress in 2022

Our objective for this aim is to increase the circularity of our existing operations and products and identify circular opportunities in new projects and businesses.

 Read more: [Aims and objectives summary](#)

Increasing circularity across bp

We built on the foundational work we completed in 2021, by finalizing our internal framework for circularity. In developing the framework, we have adopted the Ellen MacArthur Foundation (EMF) definition of circularity.

Our framework focuses on three principles of circularity, also based on definitions set by the EMF, but adapted for bp. These three principles are: eliminate waste and pollution; circulate products and materials; and regenerate nature.

We will focus on embedding the framework into our businesses in 2023. We believe it can help to clarify circularity principles and set out practical actions to help them work to support this aim. The framework sets out consistent principles and terminology but is also flexible enough to meet the different challenges that each of our businesses face on circularity.

Our performance

Our new framework will help us make progress to improve the circularity of our operations and products but we are already in action, delivering on existing aims to reduce plastics and packaging in our customers & products business. We see opportunities to offer our customers more circular solutions and respond to evolving regulatory requirements. We have now begun to extend our focus to other parts of the business, for example in low carbon energy.

In India, *Castrol* is rolling out more sustainable packaging for its premium engine oil brand, *Castrol POWER1 ULTIMATE*. The product is being packed in 100% post-consumer recycled bottles, made from reprocessed plastic waste instead of virgin plastic. This roll-out builds on *Castrol*'s global launch of lighter packaging in 2021, which reduced its plastics use by more than 2,000 tonnes year-on-year.

Castrol is also exploring the potential use of alternative materials as part of its aim to halve its plastic footprint by 2030^a. *Castrol* has joined the Pulpex cross-industry consortium and is currently assessing the potential of using its sustainably sourced wood pulp bottle technology for its lubricants. *Castrol* Pulpex bottles are still in early-stage development, but this project exemplifies the type of opportunities that can emerge from cross-sector partnerships.

In our retail businesses in the UK, Germany and Poland, we have built on our successful introduction of the Too Good To Go app, which helps us reduce our food waste. In 2022 we saved approximately 700,000 meals from going to landfill. In the UK 500,000 meals have now been saved since the app was launched in 2021. We are also taking a pro-active approach to reducing food waste in our retail stores across Europe. For example, in Poland we are running pilot projects aimed at avoiding over-stocking of food products.

Waste streams

We rolled out new waste metrics across all our operated businesses, which are now collecting waste data for 29 different waste streams using them. This will help us identify new circularity opportunities, find ways to reduce waste, and recover more unavoidable waste.

Our primary focus is on waste reduction, aligning our waste management with circular economy principles and using technologies best suited to different waste streams. We prioritize recycling and recovery over disposal, and endeavour to provide useful resources for other industries.

 Read more about waste management on page 13.

^a To promote the responsible design and management of plastic packaging along its lifecycle, *Castrol* defines its plastic footprint as the amount of virgin plastic included in packaging per litre that isn't recycled. Our baseline is 2019.

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Sustainable purchasing

Our aim 20 is developing a more sustainable supply chain.

We will work with our key suppliers to embed sustainable practices, focusing on reducing greenhouse gas emissions and increasing the circularity of what we buy.

Our progress in 2022

Our objective for this aim is to define our sustainable procurement policy and set long-term aims by 2023.

 Read more: [Aims and objectives summary](#)

We continued our work on human rights, labour rights and modern slavery in our supply chain and on supplier diversity. This work contributes to objectives set for two of our other aims: decent work (aim 12) and multiply DE&I impact through suppliers (aim 14).

 Read more about decent work on [page 40](#).

 Read more about our aim 14, greater equity on [page 42](#).

We continued raising awareness of sustainable purchasing in several ways, including the launch of new training to help bp procurement teams understand the different aspects of sustainability at bp. A forum held in October 2022 to share sustainability stories, was attended by more than 400 procurement practitioners and we now plan to run more events of this kind. We also welcomed new members into our sustainable supply chain ambassador network and launched a centre of excellence focused on maximizing opportunities for local supply chains in our low carbon energy businesses.

To help achieve our aim 19, unlock circularity, which includes a 2025 recycled or recyclable packaging target for our European retail business, we started sourcing single-wall rather than double-wall coffee cups for use in our Wild Bean retail outlets in Europe. This has reduced the amount of cardboard we purchase, and the number of vehicles required for deliveries.

 Read more about unlocking circularity on [page 50](#).

Focusing on high-impact categories

We started work on our sustainable procurement policy in 2022, testing our approach in three high impact categories of spend – logistics, utilities and EV chargers. These categories were selected based on their potential to reduce emissions, increase circularity and deliver other sustainable outcomes

In the logistics category, our targeted actions included:

- Partnering with a supplier to introduce sustainable aviation fuel (SAF) for use on flights to and from bp operations on the UK Continental Shelf. SAF is made from sustainable feedstocks and produces up to 80% fewer lifecycle carbon emissions than any conventional jet fuel it replaces.
- Appointing a local supplier in Trinidad and Tobago to provide the emergency response vessels we use. This has resulted in a shorter, more efficient supply chain and reduced costs. It also supports our aim 13, sustainable livelihoods.
- Trialling sustainability bid evaluation guidance, which may help us standardize the way we include sustainability factors in our purchasing decisions.

Collaborating with suppliers

We are collaborating with our suppliers to develop a more sustainable supply chain. For example, we are working with several to accelerate the transition to the use of green steel and are considering the possibility of bp providing clean energy to steel manufacturers. The technology used to manufacture green steel is still evolving and the volumes available are relatively low. However, our suppliers are helping us achieve more immediate supply chain emissions reductions in this hard-to-abate sector.

We encourage our suppliers to help address climate change and support the energy transition. For example, we introduced key performance indicators for sustainability with several suppliers in the EV charging category in 2022. We will work closely with them to set specific emissions reduction targets, which will be reviewed every three months.



Engaging stakeholders

Community engagement event,
Bodelwyddan, North Wales, UK

In this section

[Engaging with our stakeholders](#)

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Engaging with our stakeholders

Regular and constructive engagement with our stakeholders is crucial to the delivery of our ambition, sustainability frame and aims. We engage with many different stakeholders, in many different ways – from local meetings to global partnerships.

We identify our main stakeholders as employees, customers, investors and shareholders, government and regulators, partners and suppliers and society.

This section provides an overview of our engagement with our main stakeholder groups and includes examples of our activities during 2022. Throughout this report there are more examples of stakeholder engagement to support delivery of our aims.

Employees

67,600

employees worldwide

We depend on our employees to maintain safe, reliable, and compliant operations and deliver our purpose and strategy. We are committed to engaging them in the bp's purpose and strategy. To do so, we use a range of tools and channels, including webcasts and our intranet.

For example:

Employee performance and development – We have evolved our approach to employee performance and development with focus@bp. This enables employees to engage around their professional development in real time, using intuitive technology. We also launched grow@bp in 2022 a new learning platform to access to our development offers. We continually gather feedback about our employees' development experiences, through our 'Pulse' and 'Pulse live' surveys and other feedback mechanisms.

Union engagement – We support our employees' right to make a fully informed choice for collective representation and we work hard to build constructive relationships with unions and works councils. In 2022, we reached contract agreements with unions across a number of our manufacturing sites. We also worked with European Works Council leaders to jointly develop a new contract that will better serve bp and our employees in the European Union in future.

 Read more about developing our people and employee sentiment on page 12.

Government and regulators

\$12.5bn

corporate income and production tax paid

We engage with governments to build constructive relationships and to support the development of national energy projects. We also co-operate with governments, regulators and legislators, during the development of policies that are relevant to our business and support a secure, affordable and lower carbon energy system.

Our engagement includes direct meetings, participation in government-led working groups, consultations on policy proposals, and direct or indirect advocacy.

For example:

Green hydrogen in Mauritania – We have signed a memorandum of understanding with the government of Mauritania to deliver a programme that will explore the potential for large-scale use of green hydrogen there.

Net zero consultation in the UK – We responded to the UK Government's Net Zero Review consultation, one of the largest engagement exercises on net zero in the UK to date.

 Read more about our advocacy work on page 31.

Customers

~12m

customer touchpoints

Our engagement with customers helps us understand what they want from bp and ensure we add value for them. Increasingly, we work with commercial customers to help them as they work to achieve their sustainability goals, and to progress the decarbonization of industry sectors. Much of our engagement with consumers comes through our convenience & mobility and retail businesses. Our engagement is also focused on understanding our retail customers, covering everything from product preferences to diversity and accessibility considerations.

For example:

Fleet customers – We are helping some of the world's biggest fleet operators accelerate their transition to low carbon, with a focus on renewable diesel, biogas, EV charging and potentially, hydrogen.

Castrol PATH360 – Castrol has set a strategy to deliver a more sustainable future, with aims to save waste, reduce carbon and improve lives. It is working with its customers as they work towards meeting their own sustainability goals – for example, through the development of new products for lower carbon mobility solutions.

Engaging with our stakeholders

Society

Local communities

\$93m

social investment spend

We aim to work in ways that benefit local communities and to build respectful and transparent relationships with them.

Our community engagement ranges from direct conversations conducted by dedicated community liaison officers, to public consultations. We share information about our activities and invite people to share their concerns and feedback through a number of accessible channels, including speak up mechanisms.

For example:

Engaging with indigenous peoples in Western Australia – In Western Australia, where we have announced major new investments in renewables, we have appointed an indigenous engagement manager to focus on building relationships with First Nations and other community representatives, including those from the Nyangumarta community.

bp open house careers workshop – In 2022 we partnered with refugee service organisations, including RefuAid and Migrant Leaders, to welcome around 40 migrants and refugees to a careers event at our learning centre in Sunbury, UK. We ran CV and interview skills workshops, and facilitated networking to help attendees make connections with potential coaches and mentors. More than 100 bp employees supported the event through our new volunteering platform.

 Read more about our community engagement on page 41.

Non-governmental organizations (NGOs)

We work with NGOs at international, national and local level. Many of them have complementary expertise on social and environmental issues and we often rely on them to act as a bridge between bp and other stakeholders. Our engagement with many NGOs is reported under our aims.

For example:

Environmental Defense Fund (EDF) – Through our memorandum of understanding with the EDF, which was renewed in 2022, we have collaborated to lead on reducing global methane emissions across the oil and gas value chain. In 2022 this included sharing knowledge about the use of satellites in methane measurement and the development of standard greenhouse gas clauses for contracts with NOJVs.

Shift – We have a constructive relationship with Shift, a leading centre of expertise on the UN Guiding Principles. In 2022, Shift helped us launch a dedicated project to assess the quality of our relationships with local communities. We hope this will help shape our social performance in ways that lead to better outcomes for people.

Investors and shareholders

\$4.4bn

total dividends distributed to bp shareholders

It is important that our shareholders and potential investors understand our strategy and our progress. It is equally important for us to understand their views of bp and the energy sector. We use insights from our investor engagements to inform our communications to financial markets.

Our investor relations team co-ordinates our one-to-one engagement with key investors and our investor events, which include roadshows and results presentations.

For example:

Climate Action 100+ (CA100+) – We value our engagement with CA100+ and its constructive challenge and support. In line with the 2019 special resolution they requisitioned^a, we evaluate consistency with the Paris agreement for all material capital expenditure, disclose climate-related targets and metrics and the link between these and executive remuneration. In 2022 our score improved in the CA100+ Net Zero Company Benchmark. We are ‘fully aligned’ against three metrics and ‘partially aligned’ on all other metrics.

Institutional Investors Group for Climate Change (IIGCC) – In 2022 we helped pilot the IIGCC net zero standard for the oil and gas sector. The outcome of this pilot is expected to be incorporated into the next version of the CA100+ Net Zero Company Benchmark.

 Read more about our performance against the CA100+ benchmark: bp.com/ourreporting

Partners and suppliers

Supply chain partners

39,000

suppliers worldwide

We engage with our suppliers and partners to improve sustainability and reduce any adverse impacts across our supply chain. We also support our suppliers in their sustainability goals. With around 39,000 suppliers worldwide, this is an important part of our sustainability activities.

Our engagement includes daily business interactions, performance reviews and supplier forums.

For example:

Diversity in partnerships – In June 2022 we launched a bp sourcing platform to promote opportunities to certified diverse suppliers. The first campaign was targeted at suppliers who provide digital expertise. It resulted in the onboarding of seven new diverse suppliers.

 Read more about diversity in our supply chains on page 43.

 Read more about sustainable purchasing on page 51.

^a The requirements of the CA100+ resolution★ can be found on page 59. bp's responses to the requirements of the resolution are detailed in the bp Annual Report 2022 (see page 27).

Engaging with our stakeholders

Trade associations and industry initiatives

We believe that our participation in our trade associations and industry initiatives brings significant benefits. Through our many memberships, we share our opinions and advocate for policy and development in line with our strategy.

For example:

Oil and Gas Climate Initiative (OGCI) – In 2022 the CEO-led OGCI launched an Aiming for Zero initiative that supports the drive to reduce and eliminate flaring, venting and methane.

Methane Guiding Principles (MGP) – Through the executive-led MGP, we help drive action to reduce methane emissions alongside industry peers, technical service companies, industry associations and civil society.

IPIECA – We are a long-standing member of IPIECA. In 2022 we actively participated in working groups focused on natural climate solutions, biodiversity and labour rights and modern slavery.

 Read more about trade associations on page 32.

Academia

Engagement with academia provides fresh perspectives and evidence-based insights on climate change and the energy transition. It also enables us to fund research and technology that can support our activities – including our low carbon businesses. Research can take decades to complete so our university research portfolio has a particular focus on pushing forward nascent low carbon technologies. We maintain a global network of strategic university partners and run many scholarship programmes, joint research initiatives and workshops to share learning and expertise.

For example:

Carbon Mitigation Initiative (CMI) – Based at Princeton University, the CMI is an independent academic research programme sponsored by bp and administered by the High Meadows Environmental Institute. It works to find 'a sustainable solution to the carbon and climate change problem'. Princeton's Net-Zero America report, funded in part by CMI and published in 2021, was updated in 2022 for Australia, to include analysis off technological pathways for decarbonization.

ICAM – A partnership between bp, Imperial University London, Manchester University, Cambridge University and Illinois Urbana Champaign, focused on research to help solve global energy industry challenges. In 2022, ICAM kicked off major strategic research projects investigating catalysis for green hydrogen and catalysis for CO₂ conversion.

Partnering across sectors

In addition to our engagement with specific stakeholders or our focus on single issues, we also engage via initiatives or organizations that bring together businesses, NGOs, academia, think-tanks and governments. This form of engagement often addresses multiple issues and may continue for many years.

Sustainable Markets Initiative (SMI) – bp is a founding partner of the SMI. Two bp employees are seconded to work there and our CEO leads the SMI Energy Transition Taskforce. During 2022 the Energy Transition Taskforce developed and published two reports – one on accelerating the pace of renewable energy deployment, the other on the importance of putting customers at the heart of the transition. At COP27, together with other SMI taskforces, it published a transition framework to help stakeholders identify, assess, rank and track companies driving the transition.

World Business Council for Sustainable Development (WBCSD) – We are a founding member of the WBCSD and our EVP for strategy, sustainability & ventures is a member of its Executive Committee. In 2022 we participated in a number of WBCSD initiatives and contributed to a pilot for its Roadmaps to Nature Positive action framework. This framework is designed to help businesses prepare to set science-based targets for nature and report against the Taskforce for Nature-related Financial Disclosures.

Our reporting

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bp office, Budapest, Hungary

Materiality

To make sure we report about the sustainability issues that matter most to our stakeholders, we carry out regular materiality assessments. We use what we learn to inform our sustainability reporting.

Our 2022 materiality process

Building on the process used in 2021, we worked with an external agency to refresh specific elements of the materiality assessment process used for this sustainability report – to ensure it reflects external developments relating to sustainability and ESG. This refresh involved research to identify new and emerging ESG topics.

This research included a review of ESG frameworks, legislation and industry trends. Current material issues were also assessed, to confirm their continuing strategic significance. We discussed and validated the findings of this research with internal stakeholders, including environmental and social subject matter experts. We reported the findings to the board-level safety and sustainability committee.

Changes in materiality for 2022

We identified 20 key issues of continuing importance to bp and mapped them to our sustainability frame. This highlighted that biodiversity and sensitive areas had increased in significance compared with 2021. Consequently, a 2021 topic – ecological impacts, dependencies and opportunities – was consolidated into biodiversity. We did not identify any other significant increases or decreases in the impact of our current material topics compared with 2021.

 Read more about our materiality process:
bp.com/ourreporting

Material issues

Our approach

Business ethics and accountability

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Employee attraction and retention

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Safety

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Get to net zero

Climate change and the energy transition

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GHG emissions – our products

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Methane gas emissions

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Public policy and lobbying

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Renewable energy

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Improve people's lives

Access to clean energy

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Diversity, equity and inclusion

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Sustainable livelihoods and community engagement

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Care for our planet

Biodiversity and sensitive areas

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Circularity

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Nature-based solutions

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Sustainable supply chain

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Water management

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About our reporting

We aim to report on many different aspects of bp, including joint ventures where we are the operator. Our aim is to provide useful and transparent reporting.

ESG

To help stakeholders analyze our progress on sustainability we publish a detailed ESG datasheet.

Our sustainability data management system, OneCSR, provides a robust platform for collecting, analyzing and sharing data about the carbon, environmental and social performance of our projects and operations.

 Read more: bp.com/ESGdata

Verification and assurance

Our verification methods include data reviews by reporting businesses and subject matter experts, second-line and group reviews, along with third-line reviews by internal audit.

We ask Deloitte to provide limited external assurance for several key sustainability metrics to the internationally recognized ISAE 3000 standard.

 Read the Deloitte assurance statement, on page 61.

 Read more: bp.com/basisofreporting

Our reporting centre

You can access all of our current reports online.

 Read more: bp.com/reportingcentre

Standards and frameworks

Task Force on Climate-related Financial Disclosures (TCFD)

We describe how we have made disclosures against the TCFD's recommendations and recommended disclosures, in our annual report and online at bp.com/TCFD



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

Global Reporting Initiative (GRI) standards

We now report with reference to the GRI universal standards and oil and gas industry standards. We previously reported in line with the core option of the GRI standards.

 Read more: bp.com/GRI

CDP

We submitted a response to the CDP climate questionnaire and received a B score in 2022.



 Read more: bp.com/ourreporting

SASB standards

We take the SASB oil and gas exploration and production standard into account when making disclosures as part of our response to growing demand for non-financial information to help benchmark corporate performance.



 Read our SASB index: bp.com/ourreporting

UN Global Compact

We are a signatory to the UN Global Compact and have reinforced our support for the 10 principles on human rights, labour, environment and anti-corruption through our purpose and sustainability frame. We plan to respond to the enhanced Communication on Progress in 2023.

 Read more: bp.com/ourreporting

IPIECA – the global oil and gas industry association for advancing environmental and social performance

IPIECA's sustainability reporting guidance informs the way we report on environmental and social issues.

 Read more: bp.com/ourreporting

Glossary

Average carbon intensity of sold energy products

The rate of GHG emissions per unit of energy delivered (in grams CO₂e/MJ) estimated in respect of sold energy products★. GHG emissions are estimated on a lifecycle basis covering use, production, and distribution of sold energy products.

Biofuels production

Biofuels production is the average thousands of barrels of biofuel production per day during the period covered, net to bp. This includes equivalent ethanol production, bp Bunge biopower for grid export, refining co-processing and standalone hydrogenated vegetable oil (HVO).

Blue hydrogen

Hydrogen made from natural gas in combination with carbon captured and stored (CCS).

Capital expenditure

Total cash capital expenditure as stated in the group cash flow statement. Capital expenditure for the operating segments and customers & products businesses is presented on the same basis.

CA100+ resolution

The CA100+ resolution means the special resolution requisitioned by Climate Action 100+ and passed at bp's 2019 Annual General Meeting, the text of which is set out below.

Special resolution: Climate Action 100+ shareholder resolution on climate change disclosures.

That in order to promote the long-term success of the company, given the recognized risks and opportunities associated with climate change, we as shareholders direct the company to include in its strategic report and/or other corporate reports,

as appropriate, for the year ending 2019 onwards, a description of its strategy which the board considers, in good faith, to be consistent with the goals of Articles 2.1(a)(1) and 4.1(2) of the Paris Agreement (3) (the 'Paris goals'), as well as:

- (1) Capital expenditure: how the company evaluates the consistency of each new material capex investment★, including in the exploration, acquisition or development of oil and gas resources and reserves and other energy sources and technologies, with (a) the Paris goals and separately (b) a range of other outcomes relevant to its strategy.
- (2) Metrics and targets: the company's principal metrics and relevant targets or goals over the short, medium and/or long term, consistent with the Paris goals, together with disclosure of:
 - a. The anticipated levels of investment in (i) oil and gas resources and reserves; and (ii) other energy sources and technologies.
 - b. The company's targets to promote reductions in its operational greenhouse gas emissions, to be reviewed in line with changing protocols and other relevant factors.
 - c. The estimated carbon intensity of the company's energy products and progress on carbon intensity over time.
 - d. Any linkage between the above targets and executive remuneration.
- (3) Progress reporting: an annual review of progress against (1) and (2) above.

Such disclosure and reporting to include the criteria and summaries of the methodology and core assumptions used, and to omit commercially confidential or competitively sensitive information and be prepared at reasonable cost; and provided

that nothing in this resolution shall limit the company's powers to set and vary its strategy, or associated targets or metrics, or to take any action which it believes in good faith, would best promote the long-term success of the company.

Customer touchpoints

Customer touchpoints are the number of retail customer transactions per day on bp forecourts globally. These include transactions involving fuel and/or convenience across all channels of trade.

Developed renewables to final investment decision (FID)

Total generating capacity for assets developed to FID by all entities where bp has an equity share (proportionate to equity share). If the asset is subsequently sold, bp will continue to record capacity as developed to FID. If bp equity share increases, developed capacity to FID will increase proportionately to share increase for any assets where bp held equity at the point of FID.

Emissions from the carbon in our upstream oil and gas production

Estimated CO₂ emissions from the assumed combustion of upstream production of crude oil, natural gas and natural gas liquids (NGLs) based on bp's net share of production, excluding bp's share of Rosneft production and assuming that all produced volumes undergo full stoichiometric combustion to CO₂.

Energy products

For the purposes of our 2022 disclosures relating to our aim 3, we consider an energy product to be one that is generally used to satisfy an energy demand. In the case of fuels, to burn them to release their calorific content, and in the case of electricity to provide work or heat. For further information on products included in bp's 2022 aim 3 reporting see the basis of reporting.

EV charge points

Defined as the number of connectors on a charging device, operated by either bp or a bp joint venture.

Fast/Fast charging

Fast charging comprises rapid charging★ and ultra-fast charging★.

Green hydrogen

Hydrogen produced by electrolysis of water using renewable power.

Installed renewables capacity

Installed renewables capacity is bp's share of capacity for operating assets owned by entities where bp has an equity share.

Low carbon activity

An activity relating to low carbon including: renewable electricity; bioenergy; electric vehicles and other future mobility solutions; trading and marketing low carbon products; blue or green hydrogen★ and carbon capture, use and storage (CCUS). Note that, while there is some overlap of activities, these terms do not mean the same as bp's strategic focus area of low carbon energy or our low carbon energy sub-segment, reported within the gas & low carbon energy segment.

Low carbon investment

Capital investment in relation to low carbon activity★.

Methane intensity

Methane intensity refers to the amount of methane emissions from bp's operated upstream oil and gas assets as a percentage of the total gas that goes to market from those operations. Our methodology is aligned with the Oil and Gas Climate Initiative's (OGCI).



Read more: bp.com/basisofreporting

Glossary

Net zero

References to global net zero in the phrase, 'to help the world get to net zero', means achieving a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty', as set out in Article 4(1) of the Paris Agreement. References to net zero for bp in the context of our ambition and aims 1, 2 and 3 mean achieving a balance between (a) the relevant Scope 1 and 2 emissions (for aim 1), Scope 3 emissions (for aim 2) or product lifecycle emissions (for aim 3) and (b) the aggregate of applicable deductions from qualifying activities such as sinks under our methodology at the applicable time.

Net zero operations

bp's aim to reach net zero operational greenhouse gas (CO₂ and methane) emissions by 2050 or sooner, on a gross operational control basis, in accordance with bp's aim 1 which relates to our reported Scope 1 and 2 emissions. Any interim target or aim in respect of bp's aim 1 is defined in terms of absolute reductions relative to our baseline year of 2019.

Net zero production

bp's aim to reach net zero CO₂ emissions, in accordance with bp's aim 2, from the carbon in our upstream oil and gas production, in respect of the estimated CO₂ emissions from the combustion of upstream production of crude oil, natural gas and natural gas liquids (based on bp's net share of production, excluding bp's share of Rosneft production and assuming that all produced volumes undergo full stoichiometric combustion to CO₂). Aim 2 is bp's Scope 3 aim and relates to Scope 3 category 11 emissions. Any interim target or aim in respect of bp's aim 2 is defined in terms of absolute reductions relative to the baseline year of 2019.

Net zero sales

bp's aim to reach net zero for the carbon intensity of sold energy products ★, in accordance with bp's aim 3. Any interim target or aim in respect of bp's aim 3 is defined in terms of reductions in the carbon intensity of the energy products we sell (in grams CO₂e/MJ) relative to the baseline year of 2019.

New material capex investment

A decision taken by the resource commitment meeting in 2021 to incur inorganic or organic investments greater than \$250 million that relate to a new project or asset, extending an existing project or asset, or acquiring or increasing a share in a project, asset or entity.

Operating management system (OMS)

bp's OMS helps us manage risks in our operating activities by setting out bp's principles for good operating practice. It brings together bp requirements on health, safety, security, the environment, social responsibility and operational reliability, as well as related issues, such as maintenance, contractor relations and organizational learning, into a common management system.

Physically traded energy product

For the purposes of aim 3, this includes trades in energy products ★, which are physically settled, with the exception of, for example, financial trades and certain other transactions where the purpose or effect is that the volumes traded or supplied net off against each other.

Rapid charging

Rapid charging includes electric vehicle charging of greater than or equal to 50kW, and less than 150kW.

Renewables pipeline

Renewable projects satisfying the criteria below until the point they can be considered developed to FID: Site based projects that have obtained land exclusivity rights, or for PPA based projects an offer has been made to the counterparty, or for auction projects pre-qualification criteria has been met, or for acquisition projects post a binding offer has been accepted.

Sold energy products

For the purposes of aim 3, these represent the energy products ★ we sell to third parties including both marketed sales and physically traded energy products ★. For these purposes, bp group subsidiaries and equity accounted entities are not considered third parties, other than in our trading & shipping and customer & products businesses, where sales to equity accounted entities are considered third-party sales.

Sustainable emissions reductions (SER)

SERs result from actions or interventions that have led to ongoing reductions in Scope 1 (direct), Scope 2 (indirect) greenhouse gas (GHG) emissions (carbon dioxide and methane), or both, such that GHG emissions would have been higher in the reporting year if the intervention had not taken place. SERs must meet three criteria: a specific intervention that has reduced GHG emissions, the reduction must be quantifiable and the reduction is expected to be ongoing. Reductions are reportable for a 12-month period from the start of the intervention/action.

Transition growth

Activities, represented by a set of transition growth engines, that transition bp toward its objective to be an integrated energy company, and that comprise our low carbon activity ★ alongside other businesses that support transition, such as our power trading and marketing business and convenience.

Transition growth investment

Capital investment in relation to transition growth ★, that is aligned to our aim 5 (to increase the proportion of investment we make into our non-oil and gas businesses. For this purpose, we define 'oil and gas' activities as those primarily encompassing the production, refining and sale of fossil hydrocarbons and their products and those associated with the dedicated gas and oil trading businesses).

Ultra-fast charging

Vehicle charging greater than or equal to 150kW.

Underlying replacement cost (RC) profit or loss

Non-GAAP measure. RC profit or loss (as defined in bp Annual Report 2022 page 396) after excluding net adjusting items and related taxation. See bp Annual Report 2022 page 351 for additional information on the adjusting items that are used to arrive at underlying RC profit or loss in order to enable a full understanding of the items and their financial impact.

For terms with ★ refer to the glossary on [pages 59-60](#).

Assurance statement

Independent assurance statement by Deloitte LLP to bp on selected sustainability information

Scope of work

We have provided independent limited assurance, in accordance with the International Standard for Assurance Engagements ("ISAE") 3000 (Revised)¹, on selected sustainability information ("subject matter"), for the financial year ended 31 December 2022. The subject matter is reported in the 2022 Sustainability Report ("SR"), the 2022 Annual Report and Accounts ("ARA") and in the 'ESG data' document, published by bp p.l.c. (bp) on the bp website (bp.com) (together, the "Reports").

Selected subject matter for assurance²

Safety indicators:³

1. Recordable Injury Frequency (RIF) (employees and contractors)
2. Days away from work case frequency (DAFWCF) (employees and contractors)
3. Total fatalities (employees and contractors)
4. Process safety events (Total of tier 1 and tier 2)

Environmental indicators:

5. Scope 1 (direct) GHG emissions (operational boundary) (MtCO₂e) (Aim 1)
6. Scope 1 (direct) GHG emissions from UK locations (operational boundary) (MtCO₂e) (Aim 1)
7. Scope 1 (direct) GHG emissions from global locations (excluding UK and offshore) (operational boundary) (MtCO₂e) (Aim 1)
8. Scope 2 (indirect) GHG emissions (operational boundary) (MtCO₂e) (Aim 1)
9. Scope 2 (indirect) GHG emissions from UK and offshore locations (operational boundary) (MtCO₂e) (Aim 1)
10. Scope 2 (indirect) GHG emissions from global locations (excluding UK and offshore) (operational boundary) (MtCO₂e) (Aim 1)
11. Scope 1 (direct) GHG emissions (equity boundary) (MtCO₂e) (Aim 1)
12. Scope 2 (indirect) GHG emissions (equity boundary) (MtCO₂e) (Aim 1)
13. Total Sustainable Emissions Reductions (SERs) (MtCO₂e) (Aim 1)

14. Scope 1 (direct) carbon dioxide emissions (operational boundary) (MtCO₂) (Aim 1)
15. Scope 1 (direct) methane emissions (operational boundary) (Mte) (Aim 1)
16. Carbon emissions upstream oil and gas production (MtCO₂e) (Aim 2)
17. Carbon intensity of total marketed and physically traded energy products (gCO₂e/MJ) (Aim 3)
18. Methane intensity (%) (Aim 4)
19. Energy consumption for UK and offshore locations (operational boundary) (GWh, base units of kWh)
20. Energy consumption for global locations (excluding UK and offshore) (operational boundary) (GWh, base units of kWh)

The above subject matter has been assessed against bp's Reporting Requirements and Definitions.⁴

Key assurance procedures

To form our conclusions, we undertook the following procedures:

- Examined the documents relating to bp's sustainability performance, including safety and operational risk documentation, internal audit outputs, and board committee minutes, to understand the level of management awareness and oversight of sustainability performance;
- Interviewed staff responsible for managing data processes and data management systems at group level;
- Examined a sample of control documentation for non-financial management information;
- Examined disaggregated data reported by a sample of businesses to assess whether the data have been collected, consolidated and reported accurately; and
- Performed procedures over the completeness of the data and whether the subject matter data has been collected, consolidated and reported accurately at group level.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

¹ ISAE 3000 (Revised) International Standard for Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board.

² All of the selected metrics are published with an associated 'Basis of Reporting' document, published on the bp website (bp.com).

³ For personnel safety metrics, the metric assured is for the entire workforce (employees plus contractors).

⁴ bp's Environmental Performance Group Reporting Requirements and Health, Safety and Environmental Reporting Definitions.

Our conclusion

Based on our procedures described in this report, nothing has come to our attention that causes us to believe that the selected subject matter stated above presented in the Reports, for the financial year ended 31 December 2022, has not been prepared, in all material respects, in accordance with bp's Reporting Requirements and Definitions.

The basis of our work and level of assurance

We carried out limited assurance on selected bp's safety and environmental KPIs (KPIs 1-20) in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). Under ISAE 3000 an assurance engagement may be performed as a reasonable assurance or limited assurance engagement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is designed to enhance the intended users' confidence about the subject matter information but is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. To achieve limited assurance ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective enquiry of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial information, such as that included in the Reports, is subject to more inherent limitations than financial information, given the nature and methods used for determining, calculating, and sampling or estimating such information.

Our work has been undertaken so that we might state to bp those matters we are required to in this report and for no other purpose. Our work did not include physical inspections of any of bp's operating assets.

While we acknowledge that this report will be published on the bp website, the maintenance and integrity of that website is the responsibility of bp. The work that we carried out does

not involve consideration of the maintenance and integrity of that website and, accordingly, we accept no responsibility for any changes that may have occurred to this report and the Reports, since they were initially presented on the website.

Our independence and competence

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report.

We have confirmed to bp that we have maintained our independence and objectivity throughout the year and that there were no events or prohibited services provided which could impair our independence and objectivity.

We have applied the International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Roles and responsibilities

bp is responsible for the preparation of the sustainability information and statements contained within the Reports. It is responsible for selecting appropriate KPIs with which to describe the entity's performance, and establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to independently express conclusions on the subject matter as defined within the scope of work above to bp in accordance with our letter of engagement. Our work has been undertaken so that we may notify bp of those matters we are required to inform them of in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than bp for our work, for this report, or for the conclusions we have formed.

Deloitte LLP, London

16 March 2023

Cautionary statement

In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA') and the general doctrine of cautionary statements, bp is providing the following cautionary statement.

bp Sustainability Report 2022 contains certain forecasts, projections and forward-looking statements – that is, statements related to future, not past events and circumstances with respect to the financial condition, results of operations and businesses of bp and certain of the plans and objectives of bp with respect to these items. These statements may generally, but not always, be identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see' or similar expressions. In particular, such statements, among other statements, may include but are not limited to: statements relating to the purpose, ambition, aims, targets, plans and objectives of bp – as well as statements regarding expectations for bp's strategy including for bp's transformation from being an international oil company focused on producing resources, to an integrated energy company focused on delivering energy solutions for customers; plans and expectations regarding bp's ambition to be a net zero company by 2050 or sooner and help the world get to net zero, including its five aims to get bp to net zero across its production, operations and sales, as well as its aims in respect of, methane measurement at major oil and gas processing sites by 2023 and subsequent reduction of methane intensity of operations, and aims to increase the proportion of investment into non-oil and gas businesses over time; plans and expectations regarding bp's five aims to help get the world to net zero, including the aim to more actively advocate for policies that support net zero, including carbon pricing, the aim to incentivize bp's global

workforce to deliver on these aims and mobilize them to become advocates for net zero, the aim to set new expectations for relationships with trade associations around the globe, the aim to be recognized as an industry leader for the transparency of its reporting and the aim to provide integrated clean energy and mobility solutions; plans and expectations for bp's Sustainability Frame that underpins the strategy including 10 aims (our people and planet aims) regarding more clean energy and the plan to have developed 50GW renewable energy generating capacity to final investment decision by 2030, supporting a just transition that advances human rights and education and includes developing just transition plans in priority areas, helping over one million people build sustainable livelihoods, greater diversity, equity and inclusion for our workforce and customers and increasing supplier diversity spend to \$1 billion, enhancing the health and wellbeing of our employees, contractors and local communities, putting our biodiversity position into action including the expectation that from 2022 all new bp projects in scope will have plans in place aiming to achieve net positive impact, replenishing more fresh water than we consume in our operation, using nature-based solutions to deliver value and contribute to our people and planet aims in our operations and through our business activities and using circular resources and embracing circular principles in design, operations and decommissioning, working with our key suppliers to embed sustainable practices, focusing on reducing greenhouse gas emissions and increasing the circularity of what we buy and planning to create a circularity methodology and set circularity aims by the end of 2023; expectations that by 2030 bp's net production of oil, natural gas and natural gas liquids will be around 20-30% lower relative to 2019; plans and expectations about growing our renewables and

bioenergy businesses and seeking early positions in hydrogen and carbon capture, use and storage and strengthen our gas position; our role in the Net Zero Teesside and Northern Endurance projects; plans and expectations in relation to divestments including non-core assets; expectations regarding bp's partnership with Equinor for offshore wind in the US; plans to continue to focus on the customer and scale up our differentiated offers in growth markets and for next-gen mobility solutions, including electrification, sustainable fuels and hydrogen; plans to do more to integrate sustainability into our governance structures and business processes, so that it informs our strategic and operational decisions; statements regarding the uncertainties in the energy transition; forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of bp. Actual results or outcomes may differ from those expressed in such statements, depending on a variety of factors including those set out in the 'Risk factors' in our Annual Report and Form 20-F 2022 and any other matters referred to at bp.com/sustainability.

In addition to factors set forth elsewhere in this report, those set out above are important factors, although not exhaustive, that may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

The term 'material' is used within this document to describe issues for voluntary sustainability reporting that we consider to be of high or medium importance in terms of stakeholder interest and potential business impact. Material for the purposes of this document should not, therefore, be read as equating to any use of the word in other bp p.l.c. reporting or filings. bp's Annual Report and Form 20-F 2022 may be downloaded from bp.com/annualreport.

No material in the Sustainability Report forms any part of that document. No part of this Sustainability Report or bp.com/sustainability constitutes, or shall be taken to constitute, an invitation or inducement to invest in bp p.l.c. or any other entity and must not be relied upon in any way in connection with any investment decisions. bp p.l.c. is the parent company of the bp group of companies. Where we refer to the company, we mean bp p.l.c.. The company and each of its subsidiaries are separate legal entities. Unless otherwise stated or the context otherwise requires, the term 'bp', and terms such as 'we', 'us', and 'our', are used in the Sustainability Report for convenience to refer to one or more of the members of the bp group instead of identifying a particular entity or entities.

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