

## Meeting with Dev Sanyal and Peter Mather of BP on Friday 27 March

### Purpose

- The meeting is expected to centre on BP's perspective of the impact of COVID-19, both on the company and more widely. This will include discussion of the current low price of oil. The company's recently announced net zero by 2050 plans may also be mentioned. [REDACTED]
- You might like to welcome the support BP has been providing in the UK since 21 March – free fuel for the emergency services and free delivery of food from its shops for the over-70s.
- BP met with Minister Kwarteng on 16 March. A readout is at Annex C. Mr Kwarteng has also arranged a call with BP for Monday 30 March to discuss the impact of COVID-19.

### Attendees

- Dev Sanyal (CEO, Alternative Energy & Executive Vice President, Regions - to become head of Gas and Low Carbon Energy, losing his Europe/UK responsibilities under recently announced major restructuring)
- Peter Mather (Group Regional President, Europe and Head of Country, UK)
- [REDACTED]

### Our objective

- For you to hear the company's latest thinking, particularly on
  - COVID-19;
  - the implications of the current low oil price;
  - their recently announced net zero ambitions.

### Their objective

- BP will wish to discuss
    - the impact of COVID-19
    - the effect of a low oil price on their businesses, including those on the UKCS
    - their low carbon ambitions
- [REDACTED]

## AGENDA FOR MEETING – ISSUES TO RAISE AND POINTS TO MAKE

While a formal agenda has not been agreed with BP, the following points will make up the core of the conversation.

Agenda Item:	Issue to raise and points to make:
COVID-19	<ul style="list-style-type: none"> <li>• Realise there are a range of issues you have raised with us. Is there more we can do? (see Annex A for the issues raised by BP and support given by BEIS)</li> <li>• Thank BP for the support they are giving to the response to COVID-19 in the UK (free fuel for emergency services and free delivery of food for the over 70s – see Annex B).</li> <li>• Grateful to be kept informed of what BP is doing in response to the pandemic.</li> </ul>
Oil price/markets	<ul style="list-style-type: none"> <li>• Seek views on the likely duration/impact of the fall in the oil price.</li> <li>• Interested in likely responses - yours, the industry's and other countries, as well as how you think HMG should respond.</li> <li>• Urge you to be patient/measured in your response and remain committed to both your investments in the UK and your net zero ambitions.</li> </ul>
BP's net zero ambitions	<ul style="list-style-type: none"> <li>• Welcome Bernard Looney's announcement on 12 February setting BP on the course to be a net zero energy company by 2050.</li> <li>• Offer to engage with BP as they develop their plans.</li> <li>• Welcome their leadership of the Teesside CCUS project and congratulate them on its launch on 28 February.</li> <li>• Emphasise that these plans must not be derailed by the recent events.</li> </ul>
Involvement in COP26	<ul style="list-style-type: none"> <li>• COP26 Presidency will be working across five issue areas: Clean Transport, Energy Transition, Adaptation and Resilience, Nature, and Finance.</li> <li>• Welcome industry's support for COP26. Understand you are in contact with the COP26 Unit and Nigel Topping, the UK's High-Level Climate Action Champion for UN climate talks.</li> <li>• Recognise that they were one of the first oil majors to set long term targets - including scope 3.</li> <li>• We are encouraging companies to make ambitious net zero commitments and put in place credible near term action plans, for example by setting Science Based Targets (SBTs) or equivalents.</li> <li>• Encourage you to turn your 12 February commitments into a drumbeat of strong announcements from now to COP26 on how you are going net zero.</li> <li>• In addition to the near term action they are planning to announce in September, would welcome they work with their peers and supply chain to:               <ul style="list-style-type: none"> <li>• Drive forward progress in the sector on decarbonising operations, in particular around methane</li> <li>• Encourage investment in low carbon energy; purchase of high quality offsets</li> </ul> </li> <li>• Ask that BP be a strong/consistent advocate for net zero commitments in all countries in which you operate.</li> </ul>

## **Organisation and biographies**

BP is the UK's third largest company by revenue. While it is developing low carbon interests, its business is still largely based on oil and gas, including a 19.75% shareholding in Russia's state-controlled oil company Rosneft. BP's contribution to the UK economy in 2018 was worth £10.3 billion. BP is seeking to increase its production from the multi-billion-pound redevelopment of existing UKCS fields. The company has a major solar investment in its 43% interest in Lightsource BP; it is also developing an electric vehicle charging network and supporting research into fast battery charging technology in the UK.

Mr Kwarteng is having a call with Dev Sanyal and Peter Mather on Monday 30 March on COVID-19. He also met them for lunch on Monday 16 March. A note of this meeting is at Annex C. The previous Secretary of State also met Mr Sanyal and Mr Mather on 28 January, when one of the things BP emphasised was their interest in being involved in COP26.

### **Dev Sanyal: Chief Executive, Alternative Energy, and Executive Vice President, Regions**



Dev Sanyal is currently responsible for alternative energy globally and for the group's interests in the Europe and Asia regions, but it has been announced that he will take on a new Executive Board role as head of Gas and Low Carbon Energy (meaning that he will no longer be responsible for Europe/UK once the new structure comes into effect). Dev joined BP in 1989 and has held a variety of international roles in London, Athens, Istanbul, Vienna and Dubai. He was general manager, former Soviet Union and Eastern Europe, prior to being appointed chief executive, BP Eastern Mediterranean in 1999. In November 2003 he was appointed chief executive, Air BP International and in June 2006 was appointed head of the group chief executive's office. In 2007, he assumed the role of group vice president and group treasurer. During this period, he was also chairman of BP investment management and was accountable for the group's aluminium interests. Until April 2016 Dev was executive vice president, strategy and regions.

### **Peter Mather: Regional Vice President, Europe and Head of Country, UK.**



Peter was appointed the BP Group Regional Vice President for Europe in April 2010. Before this he was Head of Country, UK and Vice President Europe Region. Peter has kept his UK roles as part of his expanded European brief. Peter's current role has overall responsibility for the governance, reputation, co-ordination and integration of all BP's activities across Europe.

He is Chairman of BP Europe, BP Oil UK, BP Lubricants UK, and BP Norway, and sits on the boards of BP Spain, BP France and various other internal boards.

## **Further information**

### **Covid-19 – COVID-19**

- Company's internal action
  - BP staff are working remotely, other than those involved in, or supporting, critical operations.
  - No large meetings and no travel.
  - Interventions to reduce capital and operational spending.
- BP has raised a number of issues with us around restrictions imposed in response to COVID-19: these include barriers to crew changes on ships, requirements around personal protective clothing and immigration difficulties in transferring key operational personnel. We are highlighting these to relevant parts of government (see Annex A).
- Support for the UK – BP is to provide free fuel to the emergency services and free deliveries of food and convenience items from its shops for the over 70s from 21 March. See the BP Press Notice at Annex B.

### **Oil prices/markets**

- The spread of COVID-19 has had a major impact on oil prices, with Brent falling from \$56.34 at close on 13 February to just above \$26 on 26 March. We understand this has been due to a fall in demand exacerbated by a falling out between Russia and Saudi Arabia over how to respond to this which, unexpectedly, led to increased production. There is a general sentiment that the price is unlikely to recover soon.
- [REDACTED]

### **BP's net-zero ambitions**

- BP held an event on 12 February to set out the goal of the new CEO (Bernard Looney, who took over on 6 February) for the company to reach net zero emissions by 2050. A major internal reorganisation was announced to support this. Details of how net zero will be delivered are still to be announced. The company also intends to promote the delivery of net zero by others, through both advocacy and the provision of practical assistance.
- Examples of activity include the Teesside Clean Gas (CCUS) project, launched on 28 February, which BP leads, and plans to consider powering offshore oil and gas installations from on-shore low carbon sources rather than on-rig diesel generators.

### **Involvement in COP-26**

- BP is keen to support the UK's Presidency of COP26 and has met the COP26 Unit to discuss how it could contribute.
- [REDACTED]

## ANNEX A

### COVID-19 - BP's asks and what is being done in the Department to resolve these issues.

ISSUE	RESPONSE BY THE DEPARTMENT
<p><b>BP Shipping crew changeover:</b> as COVID-19 spreads, BP has been experiencing difficulties as crews are not being allowed to change in certain ports. The company asked DFT for support.</p> <p>This is a general shipping issue and something the UK Chamber of Shipping and the IMO are seeking action on.</p>	<p>[REDACTED] IEU prompted the DFT lead for a reply to BP, which has now been forthcoming. The reply covered health arrangements and what HMG is doing internationally to facilitate seafarer transfer.</p> <p>The head of BP Shipping has thanked DFT for the response [REDACTED]</p>
<p><b>PPE/COVID-19 risk:</b> An EU Regulation (2020/402) came into effect earlier this month requiring Member State authorisation for the export of PPE (medical) clothing needed in the treatment of those infected with COVID-19. BP is concerned that the process of seeking this authorisation will cause significant operational delays and has asked IEU and DIT to accelerate the process and identify a contact for them asap.</p> <p>DIT advised IEU that the lead was with DHSC.</p>	<p>IEU has</p> <ul style="list-style-type: none"><li>• Identified the DHSC lead and put him and BP in touch.</li><li>• Advised DHSC of the nature of the issue (DHSC is not usually involved in authorising exports).</li><li>• Reviewed the legislation and suggested that the equipment may not require authorisation under an exemption for "ship supplies" in the EU Community Customs Code. This is being considered by DHSC and HMRC lawyers.</li></ul>
<p><b>Downstream UK – designation of 'key workers' and testing of essential operation staff in self-isolation.</b> [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p><i>Definition of key workers.</i> We have responded to BP with central HMG lines: it is essentially a matter for the company to decide who its key workers are. BP seem content.</p> <p><i>Reduced isolation times and COVID-19 testing for key workers to maintain critical manning levels.</i></p> <p>[REDACTED]</p> <p>[REDACTED]</p>

	<ul style="list-style-type: none"> <li>• [REDACTED]</li> </ul>
<b>BP - SMEs:</b> BP has asked for greater clarity on support for SMEs, [REDACTED] [REDACTED]	While IEU sought contacts in BEIS for BP, this was thought premature by those leading, given the state of policy development. The upgrading of the cross-government Business Support website, reflecting the development of HMG policy has been welcomed by BP.
<b>Azerbaijan flights:</b> BP are concerned that Baku to Heathrow flights might stop in light of COVID-19. This is an essential route for oil industry workers (BP has significant investments in Azerbaijan). [REDACTED] [REDACTED] [REDACTED] [REDACTED]	IEU has raised BP's concerns with the FCO's country desk.  Flights between Baku and Heathrow have not been halted as of 26 March (– and there is a Heathrow arrival scheduled for this evening).
<b>Iraq – Rumaila expats/visa.</b> Rumaila is a super-giant oilfield in southern Iraq in which BP has a major and operational interest. [REDACTED] [REDACTED]	IEU is discussing options with the FCO. We can brief separately on this if necessary (– evacuation arrangements for Iraq are highly sensitive).
<b>Italy – request for ventilators for Italy</b> [REDACTED] <b>via BP to HMG.</b> BP has forwarded (26/3) a request from [REDACTED] to HMG, asking for contact details of companies that have offered to produce ventilators but that HMG has not contracted, but who might instead be able to supply the Italian health service.	IEU is seeking contacts for those involved in contracting for ventilators in DHSC and has notified the FCO Italy desk of the request.

[REDACTED]



## **ANNEX B – 18 March 2020 – BP Press Notice**

### **BP introducing COVID-19 response initiatives in UK**

- *Free fuel for UK emergency services*
- *Free delivery to the elderly of food and convenience purchases*

BP is taking steps, working with its partners and suppliers, to use its UK fuels business and network of retail sites to provide support to essential services and older members of society in the UK during the current COVID-19 pandemic.

BP has already identified two initiatives in the UK, both of which are expected to be in place until at least the end of April.

Firstly, BP will supply free fuel to the UK's emergency services during the current crisis. Through BP's own fuel cards and an arrangement with fuel card provider Allstar – whose cards are also used widely throughout the UK's emergency services – ambulance, fire and police service vehicles will be able to fill up without being charged for the cost of fuel at BP's network of 1,200 retail sites nationally. This includes both BP-operated and dealer-operated sites and will include charging of electric vehicles through BP Chargemaster. Expected to be in place until at least the end of April, this initiative is expected to be in place from 21 March.

Secondly, BP will offer delivery of food and convenience goods from its network of company-owned convenience stores without delivery charge to elderly members of society who have been advised to minimise all social contact.

Building on its existing relationship, BP is in the process of expanding the number of its retail sites from which Deliveroo deliveries can be ordered and is working to arrange for delivery charges to be waived for all customers over 70. Deliveries of both M&S products and other convenience goods in stock will be able to be arranged, and no premium will be charged on delivered items.

## **ANNEX C – Readout from Minister Kwarteng Lunch with BP, Monday 16 March**

**Attendees: Minister Kwarteng (KK), Peter Mather (PM), Dev Sanyal (DS), Theo Walsingham (PS)**

The lunch consisted of a long, wide-ranging informal conversation about a number of areas of interest. To list some of the main areas covered and points raised:

### **Covid-19 and business impacts**

█ Globally all BP offices now moving to wfh as default, minimising external contact.

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ KK asked if they think we are on course for a global recession. █ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

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### **CCUS**

- KK remarked that Bernard Looney remarks were very well received. Great to see BP so committed. Referenced the good news on CCUS in the budget and his perceived next step to reconvene the CCUS council and refocus it on delivery. As part of this there will need to be a conversation at some point on location, but keen to stress this is not a zero sum game; not a case of if a particular cluster will be developed, but when.

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

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█ [REDACTED]

█ [REDACTED]

### **Hydrogen**

█ Had a discussion of blue vs green hydrogen. █ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]



█ Talked about their three current green hydrogen projects in Australia, China and Germany. █

- BP happy to share their modelling if we are interested

### CoP26

- BP really want to be involved and keen to work with government to understand how they can support. Currently meeting with several different people from all across government.

█ KK and PS advised of the cross government structure for CoP preparations, and how everything sits under SoS. KK advised that the more BP (ideally in concert with the rest of the sector) can do to proactively create an offer for government, the quicker government will be able to move on our end to work together. █

### Other issues

█ BP said they were looking into options for power from shore for offshore platforms. Anticipate that this could have a huge impact (~1mt CO2 pa just for BP), █

- KK mentioned work on green finance and green sovereign bonds, PM and DS asked to be put in touch with the relevant team. (Already actioned)
- On Energy White Paper, KK said that a draft was coming along nicely, but we're not in a position to confirm timings. Could be as early as April but will depend on cross-government conversations.