

How the board has engaged with shareholders, the workforce and other stakeholders

Shareholders

Institutional investors

The company engages with its institutional shareholders through its active investor relations programme. The board receives feedback on shareholder views in many ways, particularly through the chairman and senior management who meet regularly with shareholders throughout the year, as well as through the results of an independent investor study and report.

In September 2019 the chair of the remuneration committee hosted an event for large investors on considerations for the new remuneration policy which is to be tabled at the 2020 AGM in May (see Remuneration committee report on page 101). The chairman also held one-to-one meetings with major institutional investors during the year, collecting their views and sharing these with the other board members and the remuneration committee.

During the course of the year, senior management met regularly with institutional investors through road shows, group and one-to-one meetings, events for socially responsible investors (SRIs), meetings with various investors to discuss environment, social and governance matters, and oil and gas sector conferences.

In May 2019, the chairman and board committee chairs held their annual investor event. This meeting enabled BP's largest shareholders to hear about the work of the board and its committees and for investors to share their views directly with non-executive directors.

i See bp.com/investors for investor and strategy presentations, including the group's financial results and information on the work of the board and its committees.

Shareholder engagement cycle 2019

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| Q1 | <ul style="list-style-type: none">• Fourth quarter and full year 2018 results and strategy update• Investor roadshows with executive management – fourth quarter and full year 2018 results• BP Energy Outlook presentation• BP Annual Report 2018 launch• BP Sustainability Report 2018 launch |
| Q2 | <ul style="list-style-type: none">• Chairman and board committee chairs meeting with investors• UKSA (retail shareholders') meeting with the chairman• First quarter 2019 results presentation• Annual general meeting• BP Statistical Review of World Energy launch |
| Q3 | <ul style="list-style-type: none">• Second quarter 2019 results presentation• Investor roadshows with executive management following 2Q results |
| Q4 | <ul style="list-style-type: none">• Third quarter 2019 results presentation• Investor roadshows with executive management following 3Q results |

Retail investors

BP held an event for retail investors in conjunction with the UK Shareholders' Association (UKSA) in 2019. The chairman and a representative from investor relations gave presentations on BP's annual results, strategy and the work of the board. Shareholders' questions were focused on BP's activities and performance.

AGM

Voting levels were relatively consistent at 67.1% (of issued share capital, including votes cast as withheld) in 2019, compared to 67.3% in 2018. The lower voting level of 50.8% in 2017 was due to the negative impact of stock lending.

In 2019 the AGM was held in Aberdeen for the first time, which enabled the board to engage with shareholders who might not have had the opportunity to attend a meeting before. There were two shareholder requisitioned resolutions put to the meeting in 2019.

All resolutions supported by the board, including the shareholder resolution from the Climate Action 100+ group, passed at the meeting, see page 6. The shareholder resolution from Follow This, which was not supported by the board, did not pass.

Each year the board receives a report after the AGM giving a breakdown of the votes and investor feedback on its voting decisions to inform it on any issues arising.

Workforce

At BP we believe a diverse and engaged workforce is critical to us successfully delivering our group strategy. BP strives to create an open culture where dialogue between the board, senior management and the workforce, which includes a wide range of employees, contractors, agency and remote workers across all of its geographical locations, is encouraged and expected. 'Respect' and 'courage' are two of our corporate values that underpin this and are embedded in our performance management system. Employees are informed of information on matters of concern to them as employees through BP's intranet and local sites, social media channels, town halls, site visits and webinars including topics such as quarterly results, strategy, the low carbon transition and diversity. We have a number of employee-led forums and business resource groups and aim to build constructive relationships with labour unions formally representing some employees. Employees are consulted on a regular basis through regular team and one-to-one meetings and through our annual 'Pulse' survey. These initiatives are applied where practicable.

Our annual employee 'Pulse' survey results for overall engagement, long-term cultural metrics and listening and involvement have shown a steady and sustained improvement over this period, see page 47.

With such a diverse and globally distributed workforce, we believe ongoing dialogue through multiple channels is the best way for the board and management to engage with our people and listen to what they have to say. The board is firmly of the opinion that face-to-face interaction with our people is the best way to get direct feedback and an understanding of the important issues of the workforce, as well as deepen the board's operational understanding. Only by visiting and meeting with employees from all aspects of the business can the board fully assess the culture and tone of BP. The board held a number of site visits in 2019 to a number of different locations, including Busan, Kuala Lumpur, Singapore, Aberdeen and Denver. A number of non-executive directors also took opportunities to engage directly with local workforce at various BP offices around the globe. As part of Helge Lund's first year as chairman, he conducted town hall meetings with the workforce in Washington DC, Baku, Rotterdam, Beijing, Houston and London.

The board and its committees are committed to meeting with a wide range of employees across the entire workforce and at times exclude senior management from meetings to get the unfettered opinions of their teams. An example of this was the SESAC's visit to a new LNG vessel off the coast of South Korea immediately prior to its maiden voyage. This was the first shipping visit of its kind, during which members of the SESAC held private informal meetings with the ship's crew, away from senior officers. The crew highlighted a couple of potential improvements, the SESAC members agreed and, as a consequence, certain improvements were undertaken by shipping leadership.

As an example of how engagement has directly contributed to shaping policy, in 2019 we launched a new global commitment to minimum parental leave for new parents. This policy was established through engagement with our employee-led business resource groups and employee forums, including the working parents' forum.

BP invests in its workforce through a number of employee share ownership schemes and plans. For example, we operate 'ShareMatch' in more than 50 countries. The plan matches BP shares purchased by our employees. We also operate a group-wide discretionary share plan, which rewards employees with participation in BP's equity at different levels globally and is linked to BP performance.

As we look to achieve our purpose, ambition and aims – engagement with our global talent pool is as critical as ever. BP wants to recruit, retain and reward people from wide-ranging and diverse backgrounds who can support us in the global transition to a low carbon energy system. We will continue to expand our existing networks of communication to foster a listening culture that enables the board and management to gain meaningful insight directly from our colleagues around the world, and respond accordingly. For instance, following feedback from BP's working parents' forum, agile working and parental leave policies have been improved, and in response to growing demand from our workforce, BP introduced a way for some employees to offset their personal carbon emissions and is working towards expanding this

scheme to more employees across the group. The board will dedicate time to specifically review the outputs from the various channels of workforce engagement at board sessions.

The board believes the existing approaches and mechanisms described above enable comprehensive two-way engagement opportunities with BP's workforce, and as such, is satisfied that these are effective alternatives to the proposed workforce engagement methods set out in Provision 5 of the Code. Given the current period of transition within BP, the board will continue to review its engagement mechanisms to seek new ways to strengthen existing workforce forums to ensure a continuing robust relationship and collaboration.

Other stakeholders

For details of how the board complied with Section 172 of the Companies Act 2006 and how it further engaged with other stakeholders, see page 66.

Site visits

Denver

The board visited BP's Denver office in September 2019 where they hosted several employee events. A town hall took place, led by Helge Lund, with the rest of the board present to talk with the workforce and answer questions over a community lunch with over 150 employees in attendance. The board was also introduced to emerging talent in the region and met with senior leadership. As part of the suite of events the board also met with external stakeholders at a business reception in the city.



150

employees attended a community lunch with the board.



Kuala Lumpur and Singapore

Members of the audit committee visited the global business services in Kuala Lumpur. Touring BP's offices gave valuable insight into the workforce which has been responsible for centralizing and standardizing key business processes across the organization and transforming processes end-to-end. The directors then visited the IST team in Singapore where they met with senior leadership and the wider workforce at BP's offices.



300

employees attended the town hall presented by Helge Lund and Bob Dudley.

Aberdeen

Following the AGM in Aberdeen, the board held a number of engagement activities. Helge Lund and Bob Dudley led a town hall which was attended by over 300 employees at BP's Dyce office and streamed live to the offshore teams in the North Sea. The board hosted a business reception, inviting members of the local community, local political and government officials, employees and local businesses.

Members of the board had further engagement with the workforce at the Dyce office, observing new agile ways of working and gaining technological insight into new initiatives. Members of the board also visited the Clair Ridge platform, where they learnt more about operations offshore. They discussed the safety agenda onsite, visited the drilling floor and spoke with employees directly to better understand the culture when working offshore.



South Korea

The SESAC visited BP's shipping function and spent a day at sea in South Korea on board a new LNG vessel. They experienced the vessel in a period of 'shakedown' ahead of going into service. The committee observed safety processes in action and were able to discuss physical and cyber security planning. Members of the SESAC met with sea farers without management present to discuss life working on board the vessels.



The committee members noted strong morale."