



## Getting to net zero introduction

### What role will divestments play in achieving our net zero aims?


Divestments are, and continue to be, an important part of our strategy. They enable us to strengthen our balance sheet and high-grade or diversify our portfolio. They will also help bp to create a resilient, lower cost and lower carbon oil, gas and refining portfolio that is smaller but high quality.

Divestments contribute to our aims 1, 2 and 3. For aim 1, divestments contribute to reducing our operational emissions. For aim 2, we expect our oil and gas production to be around 40% lower by 2030 compared with 2019, from 2.6mboe/d in 2019 to 1.5mboe/d in 2030, with contributions from our current programme of divestments, alongside existing field decline. For aim 3, proceeds from divestments will help to grow our low carbon businesses which over time will contribute to a reduction in the carbon intensity of the products we sell.

Divestments may not lead directly to a reduction in absolute global emissions but by redeploying investable funds to bp they accelerate the pace at which we can grow low carbon businesses. As well as helping us to meet our aim 3, these businesses can help reduce future demand for fossil fuels, and as a result, emissions. We are aiming to increase capital expenditure on our low carbon businesses to \$4-6 billion each year by 2030.

#### Our approach to divestment

We are working to reduce carbon emissions where possible across our portfolio, including in businesses or assets that we may be considering, or have scheduled, for divestment. Where we are the operator and have mature carbon management plans, we aim to pass those plans on to the buyer. All businesses and assets we sell remain covered by local regulatory requirements. This includes jurisdictions where we are advocating for effective policies and regulations to help the world get to net zero.

 [Read more about aims 1, 2 and 3 on pages 22-24](#)

### Will we rely on offsetting to meet our net zero aims?

We believe that both natural and technological emission reductions and removals are critical to reaching the Paris goals. We believe that effective compliance and voluntary markets for high quality carbon credits are important to finance these activities.

We expect that global demand for carbon credits is likely to grow as more companies use them to achieve their climate-related goals. So, we intend to continue to offer carbon credits and offsetting solutions to our customers to help them meet their goals.

We do not plan to rely on offsetting to meet our 2030 net zero aims. We consider that it makes sense to account for carbon credits directly related to our business, for example where carbon credits are bundled with the energy we sell, and looking ahead we plan to do so.

We are currently participating in several initiatives and associations to develop and strengthen the quality of the offset market:

- UK Voluntary Carbon Markets Forum
- International Carbon Reduction & Offset Alliance (ICROA)
- International Emissions Trading Association (IETA)
- Natural Climate Solutions Alliance convened by the World Economic Forum and World Business Council for Sustainable Development (NCSA)

### How will we influence NOJVs to support our aims?

Non-operated joint ventures (NOJVs) are an important part of bp's business strategy, including with respect to methane management and net zero. In 2020, bp established a NOJV centre of excellence, which provides support to teams in bp who work with our NOJVs, including support for their efforts to influence in relation to reducing methane emissions and overall sustainability management.

We see increasing potential for influencing NOJVs or partnering with them through memoranda of understanding or strategic collaborations in support of shared goals, on issues such as carbon management, hydrogen and sustainability.