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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 energy products per unit of energy (MJ) delivered.

As updated in February 2022, the scope of aim 3 for future reporting years is expanding to include physically traded energy products★.

For the 2019 to 2021 reporting years, it covers marketing sales of energy products^a (79gCO₂e/MJ^b in 2019).

Progress and targets

Cumulative reduction in carbon intensity against the 2019 baseline.

<1%	2020 performance
0%	2021 performance
5%	2025 target
15-20%	2030 aim
Net zero	2050 or sooner

Our progress in 2021

In 2021, the average carbon intensity of bp's marketing sales of energy products remained at 79gCO₂e/MJ^b, as in 2019 and 2020. We are continuing to invest in activities that will decarbonize our business in the future. Reducing the carbon intensity of the products we sell is directly linked to growing the size of our low carbon businesses and providing products with lower lifecycle emissions. Our investments in low carbon as part of our aim 5 have increased from around \$750 million in 2020 to nearly \$2.2 billion in 2021.

Much of the low carbon investment we have made is expected to feed into carbon intensity reductions later in this decade and beyond. The diversification inherent in our strategy provides us with a range of levers – including our transition growth businesses and the trading activity which is now included within the scope of this aim – as we pursue delivery of our 2025 target and 2030 aim.

Compared with the 2019 baseline, the carbon intensity of bp's marketing sales of energy products remained flat.

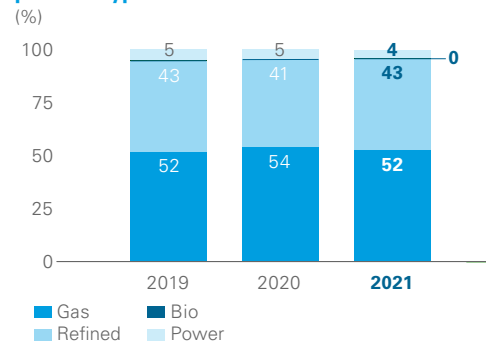
This is because of a lower share in sales of gas and power products from 2019 to 2021, caused by a number of factors including a reduction in demand over the period and an increase in refined products demand post COVID-19.

- a Please see the basis of reporting for the list of energy products covered at bp.com/basisofreporting.
- b We now report carbon intensity for aim 3 to the nearest whole number in gCO₂e/MJ. Following publication of the 2020 bp annual report and Form 20-F, sustainability report and ESG datasheet, we identified minor data reporting corrections and implemented methodological improvements which have impacted the previously reported aim 3 figures. Recognizing that amendments and methodological enhancements may continue to occur in the future, we believe that the rounding of aim 3 figures in this way provides a more reliable and consistent representation of our performance. Since this is the first year of reporting on this basis, our ESG datasheet on bp.com includes carbon intensity on the prior basis of rounding to 1 decimal place.
- c The share of energy is based on the total energy associated with sales of marketed energy products, with electricity represented as fossil equivalence of sold energy.
- d The aggregate lifecycle emissions and energy values used in the calculation of the average emissions intensity of marketed energy products is provided in our ESG datasheet on bp.com.
- e Due to rounding some totals may not agree exactly with the sum of their component parts.
- f The weighted average GHG emissions per unit of energy delivered (in grams CO₂e/MJ), estimated in respect of marketing sales of energy products. GHG emissions are estimated on a lifecycle basis covering production, distribution and use of the relevant products (assuming full stoichiometric combustion of the product to CO₂).
- g Crude oil does not count as an energy product except in the rare cases where it is used by an end user to satisfy an energy demand.
- For terms with ★ refer to the glossary on page 377 of the bp annual report 2021.

Average emissions intensity of marketed energy products^{b,d,f}★ (gCO₂e/MJ)

	2019	2020	2021
Average emissions intensity of marketed energy products	79	79	79
Refined energy products	93	92	92
Gas products	71	71	72
Bioproducts	29	28	27
Power products	44	43	38

Share of energy delivered per energy product type^{c,e} (%)



Expanding our aim 3 sales boundary

In February 2022, we announced that the sales boundary of energy products included in aim 3 would expand to include physically traded sales of energy products as well as marketing sales of energy products (such as natural gas, refined products, low carbon power and other products)^g.

This includes trades in energy products which are physically settled in circumstances where bp considers their inclusion to be consistent with the intent of the aim. It therefore excludes, for example, financial trades, and physical trades where the purpose or effect is that the volumes traded net off against each other.