

BP Pension Fund Net Zero Ambition Statement

We, as the corporate trustee of the BP Pension Fund, support the goals of the Paris Agreement, and the world's efforts to achieve global net zero greenhouse gas (GHG) emissions and limit temperature rise to 1.5 degrees Celsius above pre-industrial levels.

Our net zero ambition is to transition our investments to achieve net zero GHG emissions for the whole portfolio by 2050, or sooner, and see a reduction of at least 50% GHG emissions across public listed equity and corporate bond mandates by 2030. We believe adopting this net zero ambition will help us to contribute to real economy decarbonisation, while effectively managing the Fund's climate-related risks and opportunities. To achieve our net zero ambition, we also need governments and policy makers to deliver on their existing commitments and provide necessary new policy changes.

In support of our net zero ambition, our intent is to:

1. Set objectives and targets for reducing Scopes¹ 1 and 2 GHG emissions associated with our portfolio, explore increasing investments in climate solutions and review and update those objectives and targets as appropriate every five years or sooner.
2. Evolve our voting policy to complement our climate change related stewardship activities.
3. Work with our asset managers on engagement, including establishing credible transition plans supported by science informed targets.
4. Pursue collective and direct public policy advocacy and engagement with other market participants to support policy and regulation, where we consider appropriate.
5. Report annually in our climate change report on the actions taken and progress we make towards our ambition, in line with the climate change pension regulations².

As an asset owner, we believe engagement is key in helping us deliver our net zero ambition and aims. We are expanding our collaborative engagements and have joined both the Operational Pensions Stewardship Council and the Institutional Investors Group on Climate Change (IIGCC).

Brendan Nelson
Chair

BP Pension Trustees Limited, trustee of the BP Pension Fund
13 December 2022

¹ We expect to be able to include appropriate and material categories of Scope 3 emissions in due course, once through the work with our managers and data providers, we can obtain sufficiently robust data coverage and mitigate the risk of double counting.

² This Ambition Statement does not limit our ability to vary our future strategy (including associated targets or metrics), nor to take any action we believe would be in the best interests of the Fund's beneficiaries.