

Starting up

- Many countries around the world have declared a climate emergency. What are the main causes of the problem? What do you think the best solutions are?

Vocabulary 1 – Companies, investment and sustainability

Read the headline and first paragraph of the article. Think about the topic. Choose the best ending for each sentence.

- In stories, a **unicorn** is an imaginary magical creature that's very rare. In business, a **unicorn** is a startup company that
 - isn't legal.
 - is worth \$1bn.
 - doesn't really exist.
- A circle has no beginning and no end. **The circular economy**
 - isn't possible.
 - is the principle behind today's petroleum industry.
 - doesn't create waste or pollution, and doesn't use up natural resources.
- Something **disruptive** can cause problems and stop things from continuing in their usual way. **Disruptive technologies**
 - are dangerous and can seriously hurt people who use them.
 - change the way businesses, consumers or industries operate.
 - help people and companies avoid change.
- An **asset** is something that is useful or valuable. A **portfolio** is a case for papers. An **asset portfolio** is
 - a collection of stocks, shares and other financial items.
 - a wallet with cash in it.
 - a company.
- When you **accelerate** a car, you speed it up. To **accelerate** a change means to
 - come up with an idea.
 - apply it to the car industry.
 - make it happen faster.
- A **transition** is a change. Energy **transition** is the change from
 - fossil fuels to greener energy sources.
 - the past to the present.
 - petrol to diesel vehicles.

Reading 1

Read through the article quickly. Are the sentences true (T) or false (F)?

- 1 BP is investing in a wide variety of technologies that may replace fossil fuels.
- 2 The company has announced that it will stop production of fossil fuels by 2025.
- 3 BP is responding to climate activists and investors who want cleaner power.
- 4 BP's investment in oil and gas is small compared to its investment in new techologies.

Reading 2

Choose the best answer to each question.

- 1 What does BP hope that its five unicorns will help to produce?
a) cheaper oil and gas
b) electric vehicles
c) clean energy
- 2 What role do BP Ventures and Launchpad have in the company?
a) advertising and marketing
b) business development
c) public relations
- 3 According to Stephen Cook, why is it important for the new companies to be unicorns which are large and powerful?
a) to maximise profits for BP
b) to attract the best researchers
c) to speed up the change to clean energy
- 4 What were Lytt and Stryde developed to do?
a) make oil wells produce more
b) produce low-carbon energy
c) sell services to other groups
- 5 What does Rob West believe BP should focus on?
a) removing carbon from the air
b) developing technology they already have
c) wind and solar projects
- 6 How much is BP investing in Launchpad companies compared with its investment in oil and gas?
a) a small amount
b) about the same
c) a lot more

BP sets target to create five unicorns by 2025

BP has set up a subsidiary over the past year to create five \$1bn businesses by 2025 in an attempt to tackle what the UK oil and gas major calls the “dual challenge” of providing more energy with fewer carbon dioxide emissions.

Launchpad, an ¹**entity** that sits alongside BP’s ²**venture capital** unit, is focusing on building large-scale businesses that can run parallel to existing hydrocarbon divisions and specialise in digital and low-carbon technologies and the circular economy.

BP Ventures invests small sums and takes minority stakes in new energy businesses, for preferential access to disruptive technologies, maintaining an arm’s length relationship with these companies.

But Launchpad will be a majority owner of businesses its management believes it can transform into large global companies, which can sit within BP’s asset portfolio. Some will be ³**spun out of** the company’s own research and development division.

“We are trying to build unicorns in the energy business,” said Stephen Cook, managing partner of Launchpad and chief commercial officer in BP’s technology division.

“It’s a bit of a cliché, but the term is a ⁴**proxy** for scale,” Mr Cook said. “Without this, you are not able to maximise impact [and accelerate the energy transition],” he said. “We needed to augment the capability we already have . . . to build our own new businesses.”

Potential \$1bn companies include Lytt, a subsurface analytics company, and Stryde, a seismic technology business, both of which were developed to boost the productivity of oil wells. Launchpad is now looking at wider applications for these technologies across lower-carbon energies and the potential to sell its services to other groups.

Other companies in development include a predictive wind energy infrastructure maintenance platform and a carbon management and offsetting app, both of which BP plans to launch in the first three months of this year.

Oil and gas companies are under growing pressure from climate activists and investors to ⁵**pivot** towards new, cleaner businesses and ⁶**propel** the world’s shift away from fossil fuels. Carbon emissions, mostly caused by the burning of hydrocarbons such as oil and coal, trap heat in the atmosphere, which leads to climate change.

Rob West, founder of consultancy Thunder Said Energy, said rather than building wind or solar projects, incubating and scaling new businesses that draw on and expand on their existing technologies would give them a better advantage.

“These are more proprietary, the returns are higher, and they actually accelerate the pace of energy transition. We’ve ⁷**screened** 65 of these technologies . . . and the leading examples are extremely exciting,” Mr West added.

Yet the \$100m BP has invested already in Launchpad companies is still a ⁸**fraction** of the \$15bn-\$17bn it spends annually, primarily on its core oil and gas.

Still, CB Insights’ data show the venture units of BP, Royal Dutch Shell, Total, Chevron and Saudi Aramco are the most active among energy groups. Spending has risen eight-fold between 2015 and 2018 with these companies set to participate in deals worth more than \$1bn in 2019.



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Vocabulary 2 – vocabulary in context

Match each word in bold in the article with the best definition.

- a) business investment
- b) organisation, group
- c) turn in the opposite direction
- d) substitute, replacement
- e) developed from
- f) small part
- g) push, drive
- h) looked closely at

Grammar – future perfect simple and continuous

Complete the text with the future perfect simple or continuous of the verbs in brackets.

By 2025, BP ¹ (create) five unicorns. Launchpad ²
(develop) the companies for about five years, and will continue to work closely with them. By that
time, electric car sales ³ (increase) steadily, though the sale of petrol cars
probably ⁴ (not stop) completely and the demand for oil and gas
⁴ (not end).

Further discussion

BP probably isn't going to invest in solar and wind, and is spending most of its money developing its oil and gas business. Do you think BP is doing enough? Why or why not?

Group work

Work together to answer these questions.

- 1 What new technologies have you heard about that will help the energy transition?
- 2 What do you think governments should do to help?
- 3 What do you think individuals should do?

ANSWER KEY

Starting up

Students' own answers. The main problem is that the earth is getting warmer. This is causing ice to melt, which will raise the world's sea level. It's also causing the weather to become more extreme. This is leading to more flooding and fires. Possible solutions including anything that reduces the amount of carbon we put in the atmosphere: burning fewer fossil fuels for energy and transport, developing alternative power sources, putting less energy into meat production.

Vocabulary 1

- | | |
|-----|-----|
| 1 b | 4 a |
| 2 c | 5 c |
| 3 b | 6 a |

Reading 1

- | | |
|-----|-----|
| 1 T | 3 T |
| 2 F | 4 F |

Reading 2

- | | |
|-----|-----|
| 1 c | 4 a |
| 2 b | 5 b |
| 3 c | 6 a |

Vocabulary 2

- | | |
|-----|-----|
| 1 b | 5 c |
| 2 a | 6 g |
| 3 e | 7 h |
| 4 d | 8 f |

Grammar

- | | |
|-----------------------------|----------------------|
| 1 will have created | 4 won't have stopped |
| 2 will have been developing | 5 won't have ended |
| 3 will have been increasing | |

Further discussion

Students' own ideas and answers. Possible ideas: Yes, it's doing enough. The company has to remain profitable, and its history is in oil and gas. It's great that the company is investing what it's investing in the energy transition. OR No, it isn't doing enough. Many countries have declared a climate emergency, and it's time to put the environment before profit. BP should greatly increase its investment in the energy transition, and greatly reduce its investment in oil and gas.

Group work (possible answers)

- 1 Students' own ideas and answers
- 2 Students' own ideas and answers
- 3 Students' own ideas and answers

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