

## Chair's letter



bp had a strong operational performance in 2023 and its strategy remains well suited to the energy transition as it unfolds. 



### Dear fellow shareholders,

The past year has been positive in many respects, but it has been challenging too. From the ongoing complexity of the energy transition to economic uncertainty and market volatility. Add to that, across the world conflict has continued to touch many lives – and our thoughts are with all those who have been affected.

I will start with safety – both physical and psychological – because it always comes first at bp and is fundamental in the board's discussions and decision making.

On behalf of the board, I would like to recognize the work by bp's teams on operational safety – especially in achieving a reduction in the number of our most serious process safety incidents ([page 24](#)). However, three people died while working for bp and this is unacceptable.

### Chief executive transition

If bp made progress on safety and had a strong operational and financial performance in 2023, there were challenges too, including the change in CEO in September. However, for me and for the board, the positive here was the effectiveness of our emergency succession planning, which allowed us to appoint Murray Auchincloss immediately as interim leader, and avoid a leadership vacuum. The robust and competitive recruitment process that followed, and his performance in that process, led the board to appoint him as CEO on a permanent basis at the beginning of 2024.

The board was in full agreement that Murray was the best candidate – but this was not just our view. We sought feedback from many stakeholders including our shareholders. It was very important to have this dialogue with so many of you and I want to thank you for your advice and support.

Murray has been at bp for more than two decades and he is deeply committed to the company and its people. He has a track record of performance, he knows how to bring out the best in a team, he was one of the chief architects of the strategy – and he knows the industry inside out. I say more about this transition on [page 82](#).

I am grateful to my fellow board members for their support in this process. Their constructive scrutiny of candidates allowed us to make a decision that, we believe, is right for bp.

Murray's strategic vision and focus on performance will help bp to unlock even more of our potential to compete, win and grow the value of bp. With her strong finance leadership experience, the subsequent appointment of Kate Thomson as chief financial officer in February gives the board great confidence in what can be achieved in 2024 and beyond.

### Strategic direction

This leadership transition marks a new chapter for the company, but not a new strategic direction.

This year, it has become even clearer that the world needs a better, more balanced energy system. One that is secure, affordable and lower carbon. bp's strategy to go from an international oil company to an integrated energy company is designed both to help build a better system and to create value for shareholders while doing so.

bp had a strong operational performance in 2023 and its strategy remains well suited to the energy transition as it unfolds. The global move to a lower carbon energy system is not straightforward and presents both challenges and opportunities for an energy company like bp. With global markets remaining unpredictable, flexibility will be important and the strategy allows for this.

### Role of culture

As bp's business activities evolve, the strength of its culture is paramount. It builds trust within bp's teams, encourages better performance and helps bp to attract and keep the best talent. A key aspect of this is its speak-up culture. bp encourages everyone to raise any concerns they have, including when they see something they think is inconsistent with the code of conduct or is unsafe or unlawful. bp tools allow them to do this safely, securely, in confidence and without fear of retaliation (see [page 72](#)).

### Closing thanks

Every day, bp teams continue to go to work on rigs, in our refineries, in offices, at sea, at our retail sites★ and at our solar and wind installations – to mention just some of bp's many areas of operation. I want to thank them all for the considerable progress bp made in 2023.

I also want to thank Paula Rosput Reynolds and Sir John Sawers for their distinguished service. Over almost nine years, Paula has been a valued member of the board, including roles as chair of the remuneration committee (Remco) and senior independent director (SID). I am pleased that Amanda Blanc will take on the role of SID and, for an interim period, Tushar Morzaria the role of Remco chair, both with effect from the end of our annual general meeting in April 2024. Sir John's considerable work since 2015 includes supporting our safety and sustainability committee and our people and governance committee – and he has been highly regarded as chair of our geopolitical advisory council. Both will step down at the end of our annual general meeting in April 2024.

I will close with a final thank you. As I look back at this year, one of the highlights for me personally has been my meetings with you, my fellow shareholders – this year more than ever. In a time of internal change and external uncertainty, I want to thank you for your advice, your belief in bp – and for your trust and support throughout.



**Helge Lund**  
Chair  
8 March 2024

## \$6.5bn

share buybacks announced from  
our 2023 surplus cash flow★

## \$4.8bn

total dividends distributed  
to bp shareholders