

Chair's letter



Dear fellow shareholders,

Chief executive transition

The world bp operates in continues to change at pace. The past year has seen numerous elections, complex geopolitics and ongoing conflict, as well as significant climate events. At the same time, there has been progress in AI and technology and some signs of growth and prosperity in emerging economies. As a result, energy demand continues to rise with the supply of oil and gas, and renewable energy, reaching an all-time high.

For bp, there was leadership change, with a new CEO and CFO, and 2024 was a year of reshaping the portfolio and laying the foundation for growth and sustainable shareholder returns. Under Murray Auchincloss's leadership, bp has made significant moves, continuing to play its part in supplying the energy the world needs today and helping build out the energy system of tomorrow. We strengthened our oil and gas portfolio, expanded in biogas and bioenergy, and focused our hydrogen and wind projects – all leading to the fundamental strategy reset announced at our Capital Markets Update in February 2025.

Performance

Safety continues to be at the forefront of everything bp does, and the board and I would again like to recognize bp's teams for their work to reduce the most serious process safety incidents. This requires constant vigilance, robust processes and a willingness to speak up and act.

However, whether it is on the front line or on the board, bp can never take safety for granted. We were tragically reminded of this in October 2024 by the fatality in our bp bioenergy business in Brazil.

Many of bp's businesses performed well, including higher upstream ★ production and strong plant reliability ★, but it was a difficult year in parts of our customers & products business, particularly in refining. bp cannot control a tough price environment but it can address underlying performance – and the board believes that the comprehensive update of our strategy that we announced in February, combined with strong performance management processes, will help bp to do this.

Strategy reset

A lot has changed since we launched our strategy in 2020 – and bp has learned a lot. The pandemic has altered consumer behaviour, geopolitical tensions have increased the focus on security of supply, and although energy demand has risen to a high point, overall, growth has been weaker. Globally, inflation and rising interest rates have had an impact on the economics of major projects, particularly low carbon investments.

Because of all these factors, combined with our engagement with our shareholders and other important stakeholders, we reworked our strategy. Murray sets out how on the next page.

This is a new direction for bp. The board has worked closely with Murray and his leadership team throughout this reset, which has our full support. The reset builds on bp's distinctive strengths, learns from its challenges and represents deliberate choices and a conviction about the way forward. The next steps are clear. Now is about rigorous performance, and the board has an important role to play in overseeing the delivery of the strategy we have set out.

Culture and values

The board believes that the changes bp is making are positive and necessary for the future of the company, but we know change itself can be unsettling. This makes it more crucial than ever that bp maintains a strong culture and strong values. bp is rigorous about operational and safety processes, and must continue to be rigorous about care for others, our speak-up culture and psychological safety. As a board, we provide oversight and constructive challenge, and in doing so we routinely monitor bp's culture. I say more about this in the governance section on [page 70](#).

Closing thanks

Thank you, particularly to bp's owners and bp's teams, in a year where bp has faced numerous challenges and worked hard to improve its performance and focus the organization. We are grateful to everyone who has given us their time, expertise, support – and challenged us too. This is your company and we believe it is now set to grow – and win – in a changing energy market.

Helge Lund
Chair
6 March 2025