



A changing world, a *changing company*

A lot has happened in the time since we set a new direction for the company in 2020. The COVID-19 pandemic, the Russia-Ukraine war, a cost-of-living crisis – and following the terrible earthquakes in Türkiye and Syria our thoughts have been with colleagues and all those affected. We are helping where we can, supporting agencies, supplying fuels, and donating \$5 million to the humanitarian relief efforts.

Throughout this time, our core job has been to focus on performing while transforming – keeping energy flowing and delivering for our shareholders, and at the same time investing in our transition and the energy transition. We have supercharged our bioenergy ambitions by acquiring Archaea Energy, a leading US producer of renewable natural gas. We have tripled the size of our global network of EV chargers since 2019. We now have businesses in hydrogen and in offshore wind, and increased our renewables pipeline★ by 14 gigawatts, to 37 gigawatts, in 2022. Our refineries in Germany and Spain now have units producing sustainable aviation fuel. And, since 2019 we have reduced emissions while bringing on new oil and gas energy supplies. That is change – at scale. In just three years, annual investment in our transition growth engines – bioenergy, convenience, EV charging, hydrogen, renewables and power – has gone from 3% to 30% of total bp capital investment spend.

Safety first

Nothing is more important than safety, it is core to who we are as a company. We want zero accidents, zero people hurt – that will always be our goal. And our progress on safety in some areas continues – we saw 19% fewer tier 1 and tier 2 process safety events in 2022 compared to 2021. But we also have challenges. Tragically, four people lost their lives while working for bp last year, and a pedestrian was killed in a collision with one of our vehicles. We continue to focus on

the culture of care for others that is key to people looking after each other, and on continuing to improve the effectiveness of our safety processes and procedures.

A faster but orderly transition

One thing clearer than ever since 2020, is that the world wants and needs a better and more balanced energy system – one that delivers energy that is secure and affordable as well as lower carbon – all three – what's known as the energy trilemma. To tackle this massive challenge, action is needed to accelerate the energy transition and – at the same time – to make sure that rapid transition is balanced and orderly, so that affordable energy keeps flowing where it's needed today.

bp's integrated energy company strategy very deliberately sets us up to help on both counts – and in February 2023 we leaned further into it. We plan to invest an additional \$8 billion by 2030 into our transition growth engines including EV chargers and sustainable aviation fuels that can help people and businesses decarbonize sooner. Our cumulative investment in these transition growth engines is expected to be in a range of \$55-65 billion between 2023 and 2030. And we plan to invest an additional \$8 billion into high-quality oil and gas options that we can deliver quickly. And where we can, we will do this using our existing infrastructure to allow us to minimize additional emissions and maximize both value and our contribution to energy security and affordability.

The right direction

With three years of experience and delivery under our belt, we have increased confidence that the direction we set is the right one. Overall, we remain focused on our net zero★ ambition and the flexibility and resilience in our strategy is allowing it to respond to change while remaining consistent with the Paris goals. As you'll see throughout this report, and as Giulia says in her letter, we are making progress. The company is performing well and the strategy – underpinned by our sustainability frame – is working.

We have much more to do – and we have an awesome team that wants to do more to help. In our annual engagement survey, employees tell us they have never been prouder of bp – and I could not be prouder of them.

Thank you for your support and challenge, and as always, I welcome your feedback.

Bernard Looney

Chief executive officer
March 2023

For terms with ★ refer to the glossary on [pages 59-60](#).