

bp Sustainability Report 2023



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How to navigate this report

1 **11** **16** Indicates one of our sustainability aims

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 Definitions in the glossary, [pages 59-61](#)

About our 2023 reporting

Since we launched our sustainability frame we have worked to further embed sustainability across bp. We have also made progress in a number of areas, which are covered in this report.

In addition to this report our 2023 reporting suite comprises several other elements.

You may also be interested in:

 [bp.com/sustainabilityreport](https://www.bp.com/sustainabilityreport)

 [bp.com/sustainability](https://www.bp.com/sustainability)

 [bp.com/reportingcentre](https://www.bp.com/reportingcentre)

 [bp.com/ourreporting](https://www.bp.com/ourreporting)

 [bp Annual Report 2023](#)

 [bp Net Zero Ambition Progress Update 2024](#)

 [bp ESG Datasheet 2023](#)

Deloitte has assured selected key performance indicators (KPIs) in this report. Deloitte's statement is on [page 62](#).

 [bp.com/basisofreporting](https://www.bp.com/basisofreporting)

Introduction from our chief executive officer



We're four years into the strategy we set out in 2020 – international oil company to integrated energy company, investing in today's energy and helping build tomorrow's.

We've learned a lot in those four years. How to use new technology to reduce operational emissions and improve process safety. How to make the most of our scale and skills as we build our transition growth★ engines.

Safety matters most

There's always more to do in this respect. In 2023 while we made progress on process safety, three people tragically lost their lives while working for bp. We are committed to eliminating all fatalities, life-changing injuries and the most serious process safety incidents, and we continue to work to strengthen bp's safety culture.

Focused on delivery

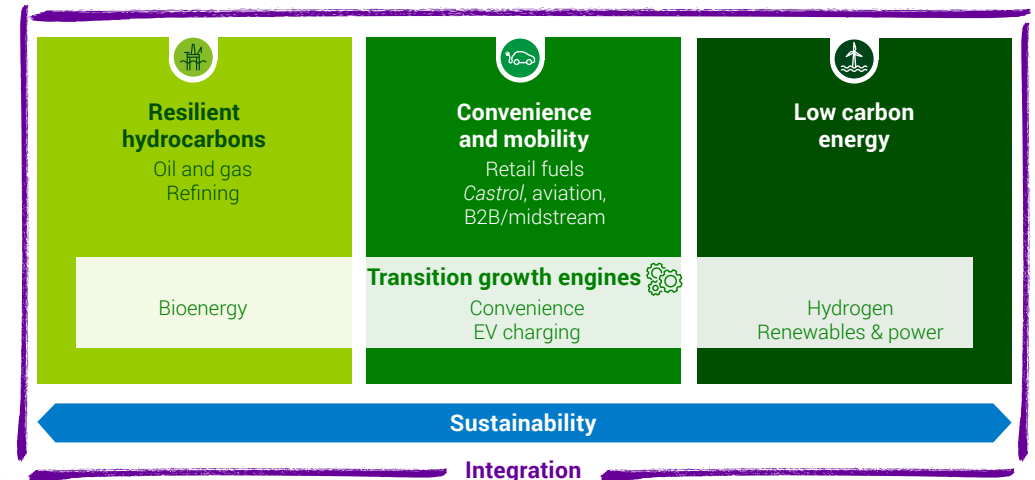
If the past few years were about learning and generating options, we're now fully focused on delivery, as our teams showed in 2023. First, as planned, we completed the deployment of technology, modelling and solutions to enable methane detection and measurement across our operated upstream oil and gas assets. This will give us better data to keep our methane intensity★ down. We believe near-zero methane should be an industry-wide ambition, which is why we supported and contributed expertise to the Oil and Gas Decarbonization Charter announced at COP28.

Second, we laid the groundwork for sustained decarbonization of bp operations. Cherry Point and Whiting refineries signed low carbon power purchase agreements, Tangguh LNG plant added a steam heat recovery system, while bpx energy cut operational emissions through more electrification and automation. Technology and digitization can yield further improvements in safety, efficiency and emissions – a big focus for bp as we drive to 2025.

Third, we remain confident that we can achieve double-digit returns from our portfolio of transition growth engines – which includes our lower carbon businesses. That's comparable to the kind of returns oil and gas deliver. We continued to invest in our transition growth engines in 2023, adding 35% more EV charge points★ globally to *bp pulse*, growing our biogas supply volumes★ 80% year on year and expanding our renewables and hydrogen project pipelines.

Three strategic pillars

Our strategy is focused on three key areas of activity.



Proud of our performance

There is much more in this report. I am incredibly proud of the whole bp team for their focus and performance in 2023. We believe in what we're doing, and our last employee survey showed pride in the company is at record levels – though we never take this for granted.

The work goes on. As ever, we welcome your feedback and challenge.

Murray Auchincloss

Chief executive officer
 March 2024

★ See the glossary on [pages 59-61](#)

Letter from our EVP strategy, sustainability & ventures



In 2023 we continued our work to embed sustainability throughout bp, focusing on where we can have the biggest impact and create the most value. And although it was a challenging year in many respects, I am pleased with the work we have done in support of the aims we set ourselves for net zero★, people and planet.

Progress on net zero

- On net zero operations★ (aim 1) – by the end of 2023, we maintained a 41% reduction in Scope 1 and 2 absolute emissions compared with 2019 while bringing a number of new projects online. This exceeds our 2025 target of a 20% emissions reduction although our operational emissions are expected to fluctuate as more new projects come online. While this adds to the challenge of reducing emissions, our work to do so continues.
- On net zero sales★ (aim 3) – our target for 2025 is a 5% reduction in carbon intensity and we have now reached 3% compared with 2019.
- On reducing methane (aim 4) – our first goal was to deploy our methane measurement approach across our operated upstream oil and gas assets by the end of 2023. We are very proud to say that we have completed this. Our methane intensity★ in 2023 remained at 0.05%, based on our existing methodology. As we look ahead, we'll take stock of our aim 4 targets as we embed our new measurement approach.

In terms of strategic progress, 2023 was a year of continued delivery. Though today we remain mostly in oil and gas, one example of the investment we are making as we transform bp is our purchase of TravelCenters of America. The investment means that we are now on almost every major US highway, with a network of around 290 sites^a that allows us to develop our convenience business alongside biofuels, biogas, EV charging and, in time, hydrogen. In 2023 our investment into our transition growth engines^b was \$3.8 billion.

Focus on people

Social sustainability is at the heart of the energy transition. We believe that a just transition (aim 12) should be a key part of the world's move towards net zero. We are also in action to support livelihoods in local communities and improve workforce diversity, equity and inclusion. For example, at our Tangguh LNG facility, 72% of the workforce is Indigenous Papuan and 60% of Papuan technicians working there are women.

We continue to embed our aims in the way bp works. Our Operating Management System★ (OMS) provides a single framework for delivering safe, reliable and compliant operations – and it includes environmental and social requirements.

In 2023, we strengthened the requirements that cover communities and workers to promote more effective delivery of our standards for engaging stakeholders and closer alignment with our sustainability frame.

This is invaluable progress and this year's report contains many more examples of how we are embedding sustainability into our work.

Positive impact on our planet

People and nature are inextricably linked, and we have advanced on our five aims to care for the planet. As part of our biodiversity aim (aim 16), in 2023 we started using our net positive impact methodology on new bp projects in the UK and Indonesia.

We also aim to replenish more fresh water than we consume in our operations to help us become water positive (aim 17). We continued site-based assessments to identify water efficiencies, including at our refineries in Rotterdam in the Netherlands, Lingen in Germany, and Cherry Point and Whiting in the US.

Thank you

We are now more than halfway on our journey to 2025 since setting our targets and objectives in 2020. There is much more to be done but I am very proud of what we have achieved. I want to thank our teams, partners, customers, suppliers – everyone we have worked with. Together, we are really making an impact, and we are doing so while maintaining our focus on safety, efficiency and adding greater value to bp.

Giulia Chierchia

EVP strategy, sustainability & ventures
March 2024

^a As at 1 August 2023.

^b Transition growth engines are bioenergy, convenience, EV charging, hydrogen and renewables & power. The definition for transition growth investment★ can be found in the glossary on pages 59-61.

★ See the glossary on [pages 59-61](#)

Our sustainability frame

Our purpose is reimagining energy for people and our planet. Our sustainability frame translates our purpose into action and underpins our strategy to become an integrated energy company.

Our aims and objectives

Sustainability at bp is about creating value for our stakeholders by connecting the business opportunities of the energy transition with our aims.

Our approach

Our beliefs and foundations

Our approach to sustainability helps us do the right thing on safety, greenhouse gas emissions, human rights, biodiversity, and other social and environmental factors.

Embedding into our DNA

We are working to embed sustainability more deeply into our culture, decision making, governance, systems, and processes.

 [pages 6-14](#)

Engaging stakeholders

We learn through ongoing engagement with our many different stakeholders and work with them to deliver our aims.

 [pages 52-55](#)



Our sustainability aims

Get to net zero★

- 1 Net zero operations
- 2 Net zero production
- 3 Net zero sales
- 4 Reducing methane
- 5 More investment into transition
- 6 Advocating
- 7 Incentivizing employees
- 8 Aligning associations
- 9 Transparency leader
- 10 Clean cities and corporates

Improve people's lives

- 11 More clean energy
- 12 Just transition
- 13 Sustainable livelihoods
- 14 Greater equity
- 15 Enhance wellbeing

Care for our planet

- 16 Enhancing biodiversity
- 17 Water positive
- 18 Championing nature-based solutions
- 19 Unlock circularity
- 20 Sustainable purchasing

★ See the glossary on [pages 59-61](#)

2023 at a glance

A snapshot of our scale, reach and performance against our strategy.

About bp

We are a global business, with operations in Europe, North and South America, Australasia, Asia and Africa – through which we deliver energy products★ and services to our customers. We are increasingly focusing on doing this in ways that help drive the transition to a lower carbon future.

Employees

87,800^a

(2022 67,600)

Countries of operation

61

(2022 62)

Underlying replacement cost (RC) profit★

\$13.8bn

(2022 \$27.7bn)

Our strategic performance



Resilient hydrocarbons

Upstream★ production^b

2.3mmboe/d

(2022 2.3mmboe/d)

Biofuels production★

32kb/d

(2022 27kb/d)

Biogas supply volumes★

22mboe/d

(2022 12mboe/d^c)



Convenience and mobility

Strategic convenience sites★

2,850

(2022 2,400)

Electric vehicle charge points★

>29,000

(2022 22,000)

Customer touchpoints★ per day

>12m

(2022 ~12m)



Low carbon energy

Developed renewables to FID★ (net)

6.2GW

(2022 5.8GW)

Installed renewables capacity★ (net)

2.7GW

(2022 2.2GW)

Hydrogen production net (2030 aim)

0.5-0.7Mtpa

Value creation

We create value for society in many different ways: through our products and services and as an employer, taxpayer, supply chain participant and investor in local communities.

Total economic value generated by bp

\$215.2bn

(2022 \$246.7bn)

Payments to partners and suppliers

\$151.7bn

(2022 \$174.0bn)

Dividends

\$4.8bn

(2022 \$4.4bn)

Taxes to governments

\$11.9bn

(2022 \$12.5bn)

Benefits paid to employees

\$10.3bn

(2022 \$9.6bn)

Social investment spend

\$117m

supporting additional initiatives to benefit communities

(2022 \$93m)

a This figure reflects new acquisitions including TravelCenters of America.

b Relative to 2019, we expect our hydrocarbon production to be around 25% lower by 2030, reflecting active management and high-grading of the portfolio, including divestment of non-core assets.

c 2022 excludes Archaea Energy.

★ See the glossary on [pages 59-61](#)

2023 sustainability progress


Since launching our net zero aims in 2020 and our people and planet aims in 2021, we have been in action to deliver them. In 2023 we made progress across these three focus areas.

1

Net zero operations★

41%


reduction in absolute emissions against the 2019 baseline. (2022 41%)

 [page 20](#)

4

Implementing methane measurement across our upstream oil and gas assets

We have completed the implementation of our planned methane measurement approach across our upstream oil and gas assets, with the introduction of software for flare efficiency, predictive emissions monitoring on gas turbines and additional or updated meters among other measures.

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2

Net zero production★

13%

reduction in absolute emissions against the 2019 baseline. (2022 15%)


 [page 21](#)

3

Net zero sales★

3%

reduction in the average lifecycle carbon intensity of sold energy products★ against the 2019 baseline. (2022 2%)


 [page 22](#)

4

Reducing methane★

0.05%

methane intensity★. (2022 0.05%)

 [page 24](#)

5

More \$ into transition

\$3.8bn

transition growth★ investment. (2022 \$4.9bn)

 [page 26](#)


Key:

- 1** Get to net zero
- 11** Improve people's lives
- 16** Care for our planet

12

Improved risk assessment tool for security and human rights


We undertook more than 230 risk assessments using this tool and, where we identified risks, we put in place measures to prevent or mitigate them.

 [page 36](#)

12

Collaborating with First Nations people in Australia


bp Australia launched a new Reconciliation Action Plan (RAP), setting out actions over three years to improve outcomes for the country's First Nations peoples. It was developed through collaboration with Aboriginal and Torres Strait Islander employees.

 [page 35](#)

17

Water assessments to improve efficiency

Conducted assessments at four refineries, accounting for around 51% of our water consumption, to help identify areas where we can create efficiencies in water consumption.

 [page 46](#)

19

New focus areas for circularity published


to help us improve our waste management and integrate circularity into our transition growth engines★.

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15

Promoting wellbeing for our employees

All of our eligible employees and their families now have access to an online wellbeing platform at bp.

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20

New sustainable purchasing position launched in 2023

setting out focus areas to help us engage suppliers to support a more sustainable supply chain.

 [page 51](#)

16

Putting net positive into action

We have started using our net positive impact biodiversity methodology on new bp projects. These include the Northern Endurance Partnership Development in the UK and the Ubidari carbon capture project in Indonesia.

 [page 45](#)

Teesside brownfield site, Teesside, UK

★ See the glossary on [pages 59-61](#)

Our approach

Our approach to sustainability is targeted, systematic and collaborative – built on strong foundations that guide the way we work and support our net zero★, people and planet aims.

In 2023 as part of our ongoing work to embed sustainability across bp we developed a roadmap that prioritizes our integration actions to support delivery of our sustainability frame.

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Whiting refinery, Indiana, US

★ See the glossary on pages 59-61

Safety comes first

At bp, safety comes first. We want to improve our safety performance and work towards the goal we set in 2021 to eliminate fatalities, life-changing injuries and tier 1 process safety events.

In 2023 we updated our operating management system★(OMS) to make it simpler and clearer. This update provides a closer focus on human performance, our Safety Leadership Principles and the International Association of Oil & Gas Producers' (IOGP) Life-Saving Rules.

Our Safety Leadership Principles

Designed to guide behaviour and ways of working across bp to drive a robust, consistent safety culture, our Safety Leadership Principles are:

- We genuinely care about each other.
- We will not compromise our focus on safety.
- We encourage and recognize speak up.
- We understand how work actually happens.
- We learn why mistakes occur and respond supportively.

Our Safety Leadership Principles are guided by human performance. They enable a culture of care by helping us understand how people interact with their working environment – recognizing that we all make mistakes. We take action to prevent and reduce the consequences of these mistakes.

We review how people interact with equipment and systems – for example, examining potential causes of stress and fatigue and the quality of our systems and procedures.

Showing care about how work is done and acting on concerns raised helps drive a learning culture, which in turn can help us make our workplaces safer. We encourage people to speak up if they have safety concerns. Read more about speaking up on [page 9](#).

In 2023 we took steps to improve our teams' capability to use the Safety Leadership Principles. For example, we offered more employees in operations training about how to better incorporate them into daily conversations at work.

In 2021 we launched our quarterly Safety Leadership Principles Awards to showcase and encourage the behaviours we can all adopt to help improve safety. Nominees for the awards have included bp employees and contractors who showed strong operating discipline and took steps to help mitigate safety risks, including speaking up.

Life-Saving Rules and life-changing injuries

We recognize the value of industry standardization and consistent rules to help improve safety performance, including IOGP's Life-Saving Rules. Around 80% of personal safety incidents in the oil and gas industry that result in a fatality, involve activities covered by the Rules. In 2023 we continued rolling out and embedding them across our operating businesses, through activities such as safety inductions, team safety talks and control of work systems.

The effectiveness of this roll-out is being verified by selected site visits. For example, in June 2023 the bp operational safety manager and North Sea discipline lead in our health, safety, environment & carbon (HSE&C) team visited the Clair Ridge platform in the North Sea to observe how IOGP's Life-Saving Rules were being implemented and integrated into daily meetings and safety discussions. Similar site visits were carried out later in the year in Egypt, Oman, Germany, the Netherlands and the US.

 bp.com/lifesavingrules

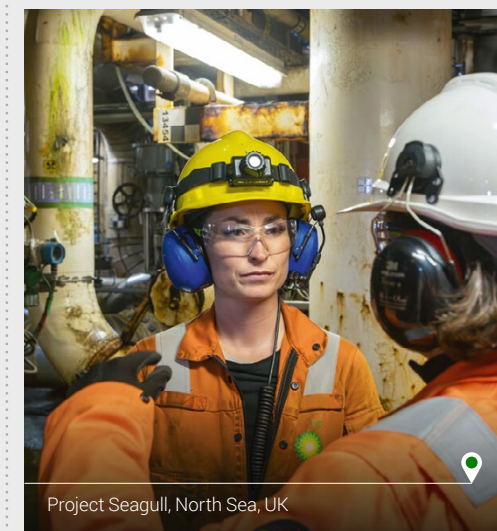
Defining life-changing injuries

To know if our performance is improving, we must accurately measure and benchmark it. We have worked closely with IOGP to help develop our industry's first 'Permanent Impairment Injury' definition and have adopted it into our systems and processes. Consequently, in 2023, for the first time we recorded and reported these injuries (which we call 'life-changing injuries') against the IOGP industry-standard definition. This new reporting metric is intended to help sharpen our focus on eliminating the most serious injuries.

Personal safety

We deeply regret the fatalities and life-changing injuries that occurred at bp in 2023. In May a contractor in our US Permian operations was fatally injured when operating a forklift and in June, a contractor in the Permian region suffered a life-changing injury while performing manual activity. At our TravelCenters of America business, one employee was struck by a vehicle and fatally injured and another employee was killed in a workplace violence incident^a.

We have offered our condolences and support to the families and employees affected. We are taking action to learn from these incidents to drive further improvements in safety.



Project Seagull, North Sea, UK

^a In 2023 bp acquired the US-based TravelCenters of America business. Shortly after the acquisition was completed, two separate incidents occurred resulting in fatalities. At the time of publication, TravelCenters of America safety reporting processes were still being integrated into bp's reporting processes and as such, these fatalities are not included in reported fatality data for 2023.

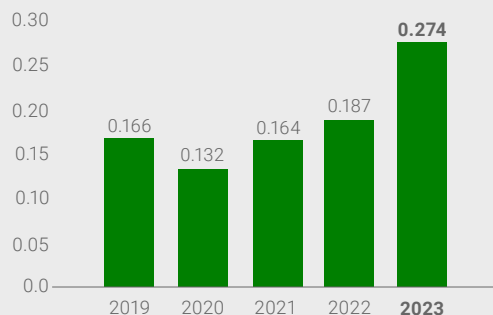
★ See the glossary on [pages 59-61](#)

2023 performance^a

In 2023 our recordable injury frequency (RIF) increased by 47%. A rise in the number of injuries in North America (which we attribute in part to the onboarding of retail operations we acquired, including *Thorntons*) contributed to this increase. Plans are in place to help prevent injuries in the future.

Recordable injury frequency^{a,b}

(workforce per 200,000 hours worked)



Driving safety

Driving is one of the biggest personal safety risks we face at bp. In 2023 seven severe vehicle accidents occurred, a decrease from 10 in 2022. The number of kilometres driven fell by 4.2% during the same period.

Process safety

We encounter our most significant process safety risks in our production & operations business, primarily in refining and production activities. In 2023 we made further improvements to mitigate these safety risks by strengthening both our process safety barriers and the requirements in our OMS. In refining we also published a mechanical integrity framework designed to improve equipment integrity and consistency and the way we address related incidents. We currently review the progress of our safety improvement plans for refining and production every two months.

In 2022 we ran a successful pilot of IOGP's Process Safety Fundamentals, which set out 10 principles designed to help improve awareness of process safety risks – for example, the need to 'respect hazards' and 'sustain barriers'. Many of the fundamentals reflect processes within our OMS. We built on this work in 2023 – increasing their visibility to front line teams by running awareness-raising sessions at more of our sites.

2023 performance^a

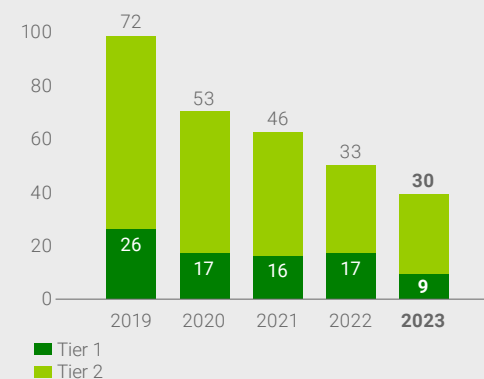
Our combined reported tier 1 and tier 2 process safety events★ (PSEs) have generally decreased during the past 11 years, apart from in 2019.

This downward trend continued in 2023 when we reported 39 PSEs, 11 fewer (22%) than in 2022. We have also made progress in preventing and reducing spills. In 2023 there were 100 oil spills^c compared to 108 in 2022 and 121 in 2021. Although portfolio changes may affect the overall baseline of our operations, our goal is still the elimination of tier 1 PSEs.

Our operating sites collaborate to share examples of good practices and our central HSE incident investigations team investigates serious or complex incidents to enable systemic gaps to be identified and addressed.

Process safety events^{a,d}

(number of incidents)



Emergency preparedness

The scale and spread of our operations mean we must be prepared to respond to a range of possible disruptions, including emergencies. We maintain disaster recovery, crisis, and business continuity management plans and work to build day-to-day response capabilities to support local management of incidents. We regularly test our plans and preparedness through exercises that simulate real-life scenarios. In 2023 we conducted more than 20 large-scale exercises, including two in June:

- In Egypt an exercise involved more than 140 participants – including key stakeholders from bp, the Egyptian government and other agencies – in a loss of primary containment scenario, with a focus on developing a collaborative and integrated response.
- In Spain we tested complex incident management and co-ordination across bp response teams and simulated civil society and Spanish government stakeholders. The scenario included a fire at Castellón refinery and a cyber attack on bp systems.

^a At the time of publication, the recently acquired US-based Archaea Energy and TravelCenters of America safety reporting processes were still being integrated into bp's safety reporting processes and as such, Archaea Energy and TravelCenters of America safety performance data is not included in reported data for 2023.

^b The number of reported work-related incidents that resulted in a fatality or injury.

^c The number of accidental or unplanned losses of hydrocarbon from primary containment from a bp or contractor operation, irrespective of any secondary containment or recovery. Oil spills > 1bbl are defined as any liquid hydrocarbon release of more than, or equal to, one barrel (159 litres, equivalent to 42 US gallons).

^d Tier 1 events are losses of primary containment from a process of greatest consequence – causing harm to a member of the workforce, damage to equipment from a fire or explosion, a community impact or exceeding defined quantities (per API RP 754 tier 1 definitions). Tier 2 events are those of lesser consequence (per API RP 754 tier 2 definitions).

★ See the glossary on [pages 59-61](#)

Our approach

Ethics and compliance

Our code of conduct

Our code sets the standards and expectations for how we do the right thing and empowers us to speak up without fear of retaliation. It is the foundation of 'Who we are' and puts safety first. Together with our Safety Leadership Principles and operating management system (OMS), it helps us make safe and ethical decisions, act responsibly, comply with applicable laws and deliver our sustainability frame.

Our code applies to all bp employees, officers and board members. Our regular mandatory training and communications help employees understand how to apply it and how to raise questions or concerns. All bp employees are required to confirm annually that they have read and understand our code and act in accordance with its principles. We expect and encourage all our contractors and their employees to act in ways that are consistent with our code.

 [bp.com/codeofconduct](https://www.bp.com/codeofconduct)

Speaking up

Our code reinforces the importance of speaking up about anything that is unsafe, unlawful or inconsistent with its content – and makes it clear that everyone who works for bp has a responsibility to do so. It emphasizes line managers' responsibility to listen and act when concerns are raised and the importance of non-retaliation. It also provides an overview of our concerns management process. We do not tolerate retaliation of any kind and consider it to be misconduct.

Any concerns or enquiries can be raised through multiple speak up channels. These include line managers, senior leaders, contacts in our people & culture, ethics & compliance, safety & operational risk assurance or legal teams. We also have a confidential global helpline, OpenTalk. It is available in 75 languages and can be accessed all day, every day on the telephone or internet, by employees, the wider workforce, communities, business partners and other stakeholders. Anyone has the right to contact OpenTalk anonymously, except where this is prohibited by law.

More than 2,250 concerns and enquiries were reported in 2023 (compared to more than 1,350 in 2022)^a. In 2023 we rolled out our refreshed code of conduct and our employee numbers grew through a combination of acquisitions and organic growth in existing businesses, including our transition growth★ engines. These factors may have contributed to the increase in concerns and enquiries through better awareness about speaking up and an increase in concerns from the growing retail workforce.

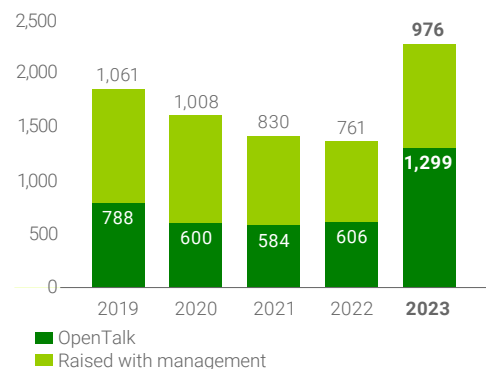
As in 2022 the most frequently raised concern related to bullying, harassment and discrimination, with these accounting for around half of all concerns. The second most common concern was alleged fraud. We take potential misconduct seriously and thoroughly review and respond to it, including conducting investigations where appropriate. We may take action in response to reported concerns – for example through training and by monitoring trends in our 'Pulse annual' survey data to help proactively mitigate issues

around misconduct. We follow a disciplinary process and issue sanctions where appropriate, which may include dismissal. Read more about our 'Pulse' surveys on [page 11](#).

Any instances in which we believe individuals have fallen short of the expectations set out in our beliefs, 'Who we are' and our code, are taken very seriously and investigated fully.

In 2023 66 employee separations resulted from non-conformance with our code or because of unethical behaviour^b.

Total number of concerns^a and enquiries raised



Anti-bribery and corruption

Managing bp's key enduring risks, including our exposure to bribery and corruption, is essential. We operate in parts of the world where bribery and corruption present high risks, so it is important that we engage with our employees, contractors, suppliers and others to emphasize that our commitment to ethical and compliant operations is unwavering.

Our code explicitly prohibits engaging in any form of bribery or corruption and includes an expectation that we work to make sure our business partners comply with our requirements.

Our group-wide anti-bribery and corruption, anti-money laundering and anti-tax evasion policies and related procedures include measures and guidance to assess and mitigate risks, understand relevant laws and report concerns. They apply to all bp-operated businesses. Where bp is not the operator, we have processes in place to manage our interests – including guidance to help bp asset managers influence operators in line with our expectations.

We provide appropriate training for employees in roles assessed to be at a higher risk of bribery and corruption. In 2023 around 10,400 employees completed anti-bribery and corruption training as part of our ethics & compliance risk-based learning. This is more than the 7,500 employees trained in 2022, due to the rolling time schedule we use to assign training.

We assess our exposure to bribery and corruption risks when working with suppliers and business partners. If appropriate, we put in place a risk mitigation plan and will choose not to work with a counterparty, or to reject tenders, based on the results of our risk assessments. We also conduct anti-bribery compliance audits on selected suppliers when contracts are in place.

Corrective action is taken with suppliers and business partners who fail to meet our expectations. This may include terminating contracts.

^a Excludes duplicate concerns.

^b This total excludes exits of contractors, suppliers, vendors and employees at our retail and heliport sites.

★ See the glossary on [pages 59-61](#)

Extractive Industries Transparency Initiative

The Extractive Industries Transparency Initiative (EITI) aims to promote transparency and accountability in the way that countries manage their natural resources to benefit their citizens. Through the EITI Standard, countries are encouraged to make disclosures relating to tax, revenues, contracts and licences linked to the extractive industries. This is intended to improve understanding of the economic contribution of the extractive industries and mitigate corruption risks.

We are a founding member of the EITI and sit on its board, which sets priorities for the organization and evaluates countries' progress in meeting the EITI Standard. We also actively participate in national multi-stakeholder groups in Trinidad and Tobago, Mauritania and Senegal. In 2023 EITI awarded Trinidad and Tobago a high overall score (89 out of 100) for meeting the requirements of the EITI Standard. The significant efforts of the multi-stakeholder group contributed to this strong performance.

We support the EITI's initiative to encourage beneficial ownership transparency globally and we use beneficial ownership information in a risk-based manner when conducting due diligence on our counterparties^a.

We also back governments' efforts to encourage and promote contract transparency when appropriate because we recognize its importance in improving understanding of our industry, promoting accountability and building trust. We contribute to the public disclosure of contracts and licences consistent with government procedures in EITI-implementing countries where we have a presence.

Political donations

We prohibit the use of bp funds or resources to support any political candidate or party. We recognize the rights of our employees to participate in political processes and these rights are governed by the applicable laws in the countries where we operate. Our stance on political activity is set out in our code.

In the US we provide administrative support for the bp employee political action committee (PAC) – a non-partisan, employee-led committee that encourages voluntary employee participation in the political process. All contributions made by the bp employee PAC are weighed against the PAC's criteria for candidate support and reviewed for legal compliance before funds are sent to the recipients, and publicly reported in accordance with US election laws. Contributions made by the PAC are from employee contributions and not from bp funds.

Tax transparency

We take a responsible and transparent approach to tax and work to create open, constructive relationships with governments and tax authorities.

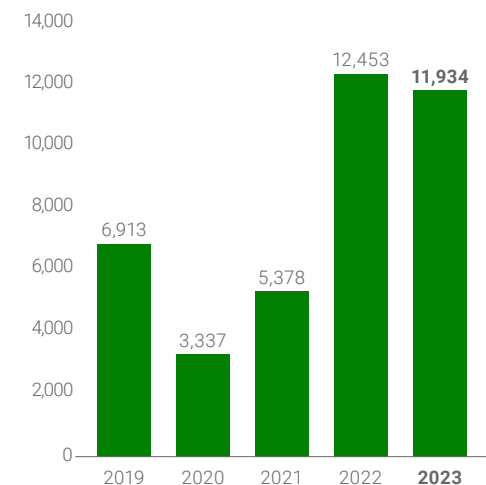
Our responsible tax principles, which align with our code and beliefs, provide a framework for responsible tax behaviour. We comply with the tax legislation of the countries where we operate, and do not tolerate the facilitation of tax evasion by people who act for or on behalf of bp.

In 2023 we continued to pay higher rates of tax due to windfall taxes on energy producers and suppliers. For example, in the UK the energy profits levy means in 2023 we paid 75% tax on our North Sea profits. As our taxes are largely based on profits, if they increase we pay more tax.

bp.com/tax

Taxes paid to governments^b

(\$ million)



Our people

Our people are crucial to delivering our purpose, strategy and aims. We focus on providing the support and skills they need to thrive and help bp succeed.

To understand the skills we need across bp now and will need in the future, in 2023 we continued our work to build skills forecasts and implement capability plans across bp, including those for our transition growth★ engines. To implement these capability plans, we are developing our current talent by running targeted skills development campaigns, while also recruiting externally to bring new expertise into bp. This is helping us build a workforce with the skills we need as our business evolves.

Our culture

We use data from various sources, including our 'Pulse annual' employee survey, to provide insights about our culture. This data is regularly reviewed by bp leadership with oversight and assurance provided by the board and its committees.

In 2023 we established a board-level 'Who we are' culture oversight committee to gain insight into our progress towards embedding the 'Who we are' culture frame, with a specific emphasis on psychological safety and speaking up. It is expected that, over time, the responsibilities of the 'Who we are' oversight committee will be absorbed by the people and governance committee. In 2023 the board also held engagement sessions with bp employees as part of its workforce engagement programme. This is covered in more detail in the *bp Annual Report 2023*.

 Read more in the [bp Annual Report 2023 page 97](#)

^a Beneficial ownership refers to the individual who ultimately owns or has significant influence or control over the entity (UK EITI).

^b Comprises corporate income and production taxes.

★ See the glossary on [pages 59-61](#)

'Who we are'

In 2022 we launched 'Who we are' setting out our three key beliefs – Live our purpose, Play to win and Care for others – along with nine descriptors of how we work, including one that states safety comes first at bp. 'Who we are' is integrated into our code of conduct and sets our expectations of how our people should behave. It guides our approach to recruitment, assessment, development, performance management and reward.

In 2023 we further embedded 'Who we are' by continuing to integrate it into our policies and practices, including our hiring approach and interview tools. We trained a community of more than 2,000 'Who we are' changemakers and piloted behaviour change initiatives to bring our beliefs to life. Our 2023 'Pulse annual' survey showed that around 80% of employees see our beliefs reflected in our actions.

 [bp.com/whoweare](https://www.bp.com/whoweare)

Monitoring employee sentiment

We measure employee sentiment through our 'Pulse annual' survey, which is sent to all eligible employees, and through our 'Pulse live' survey, which is sent weekly to a representative sample of around 8% of employees. To supplement our annual survey feedback, we discuss specific topics in listening panels and focus groups.

In 2023 we extended the 'Pulse annual' survey to cover a subset of our retail employees, to provide a more complete and representative view of our total workforce. This will be increasingly important as we grow our retail and convenience businesses.

Employee engagement

Results from the 2023 'Pulse annual' survey, which ran in August and September 2023, showed that pride in working for bp increased from 78% reported in 2022 and reached a record 80%.

Employee engagement also increased to 73% from 70% in 2022. Both figures are notable given that participation in the survey was higher than ever before. We achieved an 85% response rate from office and front line employees and 74% from the subset of retail employees.

We use what we learn from our 'Pulse' surveys to help meet our performance objectives and work towards the 2025 targets for our aims. In doing so, we focus on four areas – leadership, transforming, psychological safety and inclusion.

Developing our people

In 2023 bp employees collectively completed more than 1.3 million hours of formal learning (2022 1.1 million hours). This learning takes place within a development frame, applicable to all employees. It covers safety, conformance and compliance learning, technical, leadership and future skills. Our development offer and training portfolio also include a rigorous mandatory curriculum, focused on compliance with applicable laws and regulations as well as conformance with our internal standards.

We strengthened our development offer in 2023, evolving it to meet the demands of the energy transition:

- We launched new learning pathways on our global learning platform grow@bp, to cover our sustainability aims, the energy transition and our transition growth engines.
- We introduced our Reinventing Leadership programme across bp at all levels, focusing on key leadership skills to drive our performance and ongoing reinvention.

- We ran another 'growth week' to enhance our learning culture and highlight current and future skills and development opportunities. Approximately 14,000 participants across around 60 countries registered to take part.
- We launched a new online sustainability hub, designed to help our people connect, learn about, and act on sustainability. In the first six months since its launch, the site has been accessed more than 4,000 times.

Focus@bp

Our internal performance development platform focus@bp is available to all permanent employees. It incorporates dynamic goal setting, regular check-ins, real-time feedback and an annual reflection on performance. We use the platform to help drive development conversations, recognizing that on-the-job development is a key part of building skills.

Education, employability and skills development

Through our education and employability initiatives, we invest to develop future talent. This helps to increase the availability of the skilled people needed to advance the energy transition and builds on our work to promote science, technology, engineering, and mathematics (STEM) skills. Much of this work is focused on supporting social mobility in disadvantaged communities. Read more about enabling a just transition on [page 35](#) and social mobility on [page 39](#).

Global Sustainability Network

Our Global Sustainability Network (GSN) is an initiative created and led by employees. It brings together people from across bp to help implement a clear strategy – to connect, educate and act on sustainability. Since its launch in 2021 GSN membership has grown to more than 6,000 people, who come together through 16 chapters across more than 50 countries.

In 2023 the GSN led global and regional initiatives to educate colleagues about sustainability and share stories about sustainability in action. These reached more than 2,000 people. Examples of GSN activities in 2023 included:

- The Big Think Hackathon in our Asia Pacific region, during which more than 300 participants shared around 60 ideas about how to deliver our sustainability frame. Several ideas were selected to be developed further with business leader sponsorship.
- The Flow to Work programme, which connects members to sustainability projects across bp so they can build their sustainability skills while helping deliver our aims. In 2023 Flow to Work helped GSN members to get involved with the screening and selection of biodiversity restoration projects and digital work designed to support operational emissions reductions.

Policies and practices

Our policies and practices set expectations about how we manage environmental and social performance before, during and after our activities. They include environmental and social requirements, which form the foundation of many of our sustainability aims.

As we continue our work to embed sustainability across bp, we review and update our relevant policies and practices to reflect our sustainability frame and aims.

Our Operating Management System

Our Operating Management System (OMS) provides a single framework for delivering safe, reliable and compliant operations. It includes environmental and social requirements related to our sustainability frame. These requirements apply to businesses over which bp has operational control. Updates to our OMS in 2023 included revised requirements in our environmental and social practices that cover investment decisions, projects and operations. These updated practices set out requirements to identify, prevent and mitigate carbon, environmental and social impacts and risks; and to identify related opportunities.

All our major operating sites attest or certify to ISO 14001, in line with our OMS requirement^a.

Social

Our code of conduct and OMS contain requirements and guidance about the need to respect the rights of workers and community members. Our OMS requires all projects and operations, where we are the operator, to identify, engage with and consult affected people in a manner that respects their rights; and to seek feedback on our proposed or actual activities,

potential impacts and mitigation measures, taking into account any sensitivities around livelihoods, land, environment and culture. In 2023 we strengthened and clarified the language in our OMS requirements related to communities and workers to promote more effective delivery of our standards and closer alignment with our sustainability frame. Read more about stakeholder engagement on [page 53](#).

Human rights policy

Our human rights policy aligns with the UN Guiding Principles on Business and Human Rights. It is underpinned by the International Bill of Rights and the International Labour Organization's Declaration of Fundamental Principles at Work, including its Core Conventions. Our policy also specifies the need for independent third-party assessments of selected sites and business activities on a risk-prioritized basis to assess their conformance; we continued these assessments in 2023.

To support our teams, we provide human rights training and other awareness-raising activities. In 2023 these included training on identifying and managing labour rights and modern slavery risks.

Labour rights and modern slavery principles

These state our commitment to respect workers' rights in line with International Labour Organization Core Conventions on Rights at Work, and our expectation that contractors, suppliers and joint ventures★ do likewise. Our principles cover prevention of abusive or inhumane practices, such as child labour, forced labour, trafficking, slavery or servitude, discrimination or harassment. They are a reference point for all bp businesses, our contractors and our suppliers.

Indigenous peoples

We operate in several countries where Indigenous People live. We seek to apply the principles of free, prior and informed consent where practical when consulting and engaging with Indigenous Peoples about new projects, recognizing their human rights and respecting their sensitivities concerning livelihoods, land, environment and culture. Our internal requirements for projects and operations reflect this and other commitments from our human rights policy. Read more on [page 36](#).

 [Read our human rights policy and LRMS principles: bp.com/humanrights](#)

 [Read our modern slavery and human trafficking statement: bp.com/modernslavery](#)

Environmental

bp environmental policy

Our environmental policy is established through relevant elements of our code, in particular the sections on 'safety and sustainability' and 'our responsibility and how we speak up'. The policy is supported by relevant aspects of our commitment to health, safety, security and environmental performance, our sustainability frame, our biodiversity position and our internal group requirements and guidance, including those that form part of our OMS.

 [bp.com/environmentalpolicy](#)

Biodiversity and protected areas

Our biodiversity position builds on robust practices already in place to manage biodiversity across bp projects. We are committed to not operate any new oil or gas exploration or production activities inside natural or cultural UNESCO World Heritage

sites, or in Strict Nature Reserves and Wilderness Areas as listed on 1 January 2020 and defined by the International Union for Conservation of Nature (IUCN). We review this commitment periodically and engage with UNESCO and the IUCN. In our online protected areas update we report on the number and overlap of our major operating sites in or near to protected areas and key biodiversity areas.

As we continue planning our carbon capture and hydrogen projects in Teesside, UK, we have acknowledged the risks involved in constructing and operating near international protected areas. Through our environmental practices, we require projects that are either located in or could affect an international protected area, to identify and assess the risks involved and put in place the mitigation measures necessary to avoid and reduce project impacts. For example, during site investigation works adjacent to the Teesmouth and Cleveland Coast Ramsar site we aimed to mitigate impacts to the local environment through noise reduction methods and employed an ecologist on the project. Read more about our aim 16, enhancing biodiversity, on [page 45](#).

 [bp.com/protectedareas](#)

 [bp.com/biodiversityposition](#)

Water

Our businesses actively manage our freshwater demands in areas of stress and scarcity, based on analysis carried out using the World Resources Institute Aqueduct Global Water Risk Atlas. Read more about our aim 17, water positive, on [page 46](#).

 [Find more environmental and social data: bp.com/ESGdata](#)

^a Our Mauritania and Senegal gas business became a major operating site in 2023 and is working towards ISO certification or attestation as per our OMS requirement.

★ See the glossary on [pages 59-61](#)

Waste

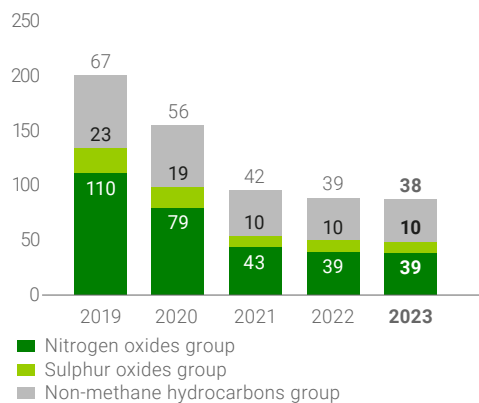
We adopt a lifecycle approach to waste management to avoid and reduce waste from our operations and to reuse materials. Read more about waste management on [page 50](#).

Air emissions

We monitor our air emissions – including sulphur oxides, nitrogen oxides and non-methane hydrocarbons – and where possible, put measures in place to reduce the potential impact of our operational activities on local communities and the environment. In 2023 our total air emissions remained relatively flat compared to 2022. bpx energy contributed to these results by reducing its non-methane hydrocarbon emissions by 5% through various interventions including electrification, compressor optimization, base well tie-ins, new well designs and flaring reduction projects. Read more about operational emissions reductions on [page 20](#).

Air emissions

by substance (kt)



Supplier expectations

We want to work with suppliers who strive for sustainability in their supply chains and we try to develop and strengthen relationships with those who act in accordance with our code of conduct.

In 2023 we updated our supplier expectations document to align with our refreshed code of conduct and to encourage our suppliers to take action across the three focus areas of our sustainability frame.

Sustainable purchasing position

In 2023 we published bp Procurement's sustainable purchasing position. It outlines objectives that align with our net zero★, people and planet aims, along with core principles for achieving them, including prioritization, collaboration, industry action and capability building. See [page 51](#).

 [bp.com/supplierexpectations](https://www.bp.com/supplierexpectations)

Influencing non-operated joint ventures★

We have processes for managing our interests in non-operated joint ventures (NOJV), including ways to encourage sustainable practices. These are supported by our NOJV Solutions team, which provides a one-stop shop for integrated solutions and governance. The team has provided support for colleagues working to influence NOJVs on sustainability, including online sustainability training, carbon roadmap templates, and a guidance note on social sustainability.

We believe closer collaboration and engagement with our partners can help us in our efforts to influence NOJVs on sustainability issues and support them in pursuing their own sustainability ambitions. In 2023 our engagements with selected NOJV partners were focused on net zero operations, biodiversity, water scarcity and human rights.

Workplace design and operations

Our operations include many offices and office-based workers worldwide. We are working to embed sustainability into our evolving workplace development and portfolio management strategy, which is led by our central workplace team. Our approach supports the delivery of our sustainability frame by prioritizing action to make our buildings more energy efficient, promote safety and wellbeing at work and advance diversity, equity and inclusion (DE&I), including accessibility.

In 2023 we announced a partnership with the International WELL Building Institute, through which we achieved our first WELL Platinum certification, in Pune, India. In Shanghai, China, our new office achieved WELL and LEED gold certifications. These certifications recognize our work to create sustainable workplaces that support health and wellbeing.

Digital product management

In 2023 we established a digital sustainability product management group. Its remit is to support delivery of our sustainability frame by providing greater consistency and more efficient prioritization across all our digital activity. In 2023 the group improved automation for emissions reporting and digitized our sustainability planning process.

Sustainability in our processes

We are embedding sustainability further into our governance, investment and risk management processes – building on work done over many years.

Governance

The board is responsible for setting our strategy and for monitoring bp's management and operations as we work to deliver against our targets and aims.

The board-level safety & sustainability committee oversees effective implementation of the sustainability frame and the management of significant non-financial risk, including health, safety, environmental, social and human rights risks.

Management oversight of sustainability is embedded through our executive-level group sustainability committee, which is chaired by our executive vice president strategy, sustainability & ventures. The committee provides oversight, challenge and support in the implementation of our sustainability frame and oversight of the management of potentially significant non-operational sustainability risks and opportunities, including those related to climate change.

At senior vice president level, the sustainability forum comprises representatives from each bp entity. It provides feedback to the group sustainability committee and aims to align, and improve the visibility of, key sustainability issues. Our main public policy positions are subject to endorsement by the sustainability forum and regional policy forums. A cross-functional sub-committee of the sustainability forum also advises businesses on sustainability-related marketing claims.

★ See the glossary on [pages 59-61](#)

A number of other steering committees and working groups feed into the group sustainability committee and sustainability forum, helping to manage specific sustainability issues.

✿ Read more on our governance structures and processes in the [bp Annual Report 2023 pages 81-104](#)

Human rights governance

At board level, our safety & sustainability committee has oversight of matters relating to human rights, including labour rights and modern slavery risk management. At executive management level, in addition to the group sustainability committee, our group operations risk committee regularly reviews our performance and progress in managing the operational and supply chain risks associated with labour rights and modern slavery.

✿ [bp.com/humanrights](https://www.bp.com/humanrights)

Planning and performance management

In 2022 all bp business groups and supporting functions developed sustainability plans, setting priority actions to support delivery of our aims. In 2023 we did further work to support implementation of these plans. We introduced an annual planning and performance management cycle for our key commercial entities. We also introduced management reviews of entity sustainability performance, which are carried out within our group governance structure. As in 2022 we included aims 1-5 in our planning and group business performance management processes.

★ See the glossary on [pages 59-61](#)

Investment governance and consistency with the Paris goals

The board assesses capital allocation across the bp portfolio, including the level and mix of capital expenditures and divestments, strategic acquisitions, distribution choices and deleveraging; as well as reviewing certain investment cases for approval.

For acquisitions and organic capital investments above defined financial thresholds, investment approval is conducted through the executive-level resource commitment meeting (RCM), which is chaired by the chief executive officer.

All investment cases must set out investment merits and are considered against a set of balanced investment criteria. The set includes a case's potential impact on our net zero aims 1-3, along with any significant impacts on, or contributions to, certain of our people and planet aims. In 2023 we added fair wage considerations to our template for acquisition cases reviewed by the RCM.

The CA100+ resolution★ requires bp to disclose how we evaluate the consistency of new material capex investments★ greater than \$250 million with (i) the Paris goals and (ii) a range of other outcomes relevant to bp's strategy. bp's evaluation of the consistency of such investments with the Paris goals was undertaken by the RCM for new material capex investments sanctioned – of which there were nine in 2023. The outcome of this evaluation is included in the *bp Annual Report 2023*.

✿ Read more in the [bp Annual Report 2023 page 31](#)

Identifying and managing risk

bp manages, monitors and reports on principal risks and uncertainties identified as having the potential to impact our ability to deliver our strategy.

The board, the leadership team, management and all relevant committees provide regular oversight of how principal risks to bp are identified, assessed and managed. In 2023 risks discussed by these different groups included climate change and the transition to a low carbon economy, strategic and commercial risks such as financial liquidity, prices and markets, safety and operational risk including process safety, personal safety and environmental risks, and compliance and control risks such as ethical misconduct and changes in law and regulation.

Our holistic system of internal control includes policies, processes, management systems, organizational structures, cultural norms and standards of conduct, all of which are employed to manage our business and associated risks.

The group operational risk committee provides oversight of safety and operational risk management for bp, including risks relating to sustainability. Our operating businesses identify and manage risk using our OMS. We also monitor how risk is managed in NOJVs.

✿ Read more in the [bp Annual Report 2023 pages 73-79](#)

Managing climate-related risk

'Climate change and the transition to a low carbon economy' has been identified as a principal risk, covering various aspects of how risks associated with the energy transition could manifest.

Climate-related physical risks such as extreme weather are covered in our principal risks related to safety and operations.

Climate-related transition risks and opportunities

At a group level, we have identified three material climate-related transition risks and opportunities:

- The value of our hydrocarbon business could be impacted by climate change and the energy transition.
- Our ability to grow or deliver expected returns from our transition growth★ engines could be impacted by the energy transition.
- Our ability to implement our strategy could be impacted by evolving attitudes towards the energy sector, climate change and the energy transition.

Climate-related physical risks


The physical risks identified across bp primarily relate to severe weather and often constitute potential for increased drivers for safety and operational risks to our operations.

We have identified changes in the availability of fresh water, including those related to climate change, as a risk to some of our operations. We recognize that we could also face other forms of physical climate-related risk over the longer term, for example, those associated with changes in sea level rise, extreme temperatures and flooding – all of which could impact our operations and our people.

✿ Read more: [bp.com/TCFD](https://www.bp.com/TCFD)

✿ Read more in the [bp Annual Report 2023 pages 58-63](#)


Getting to net zero

Our destination is unchanged – to be a net zero  company by 2050 or sooner, and to help the world get to net zero.

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Archaea Energy facility, Kansas, US

 See the glossary on [pages 59-61](#)

2023 progress

We launched our five aims to get bp to net zero in February 2020, alongside five aims to help the world get to net zero.

1

Net zero operations★

41%

reduction in absolute emissions against the 2019 baseline. (2022 41%)

[page 20](#)

2

Net zero production★

13%

reduction in absolute emissions against the 2019 baseline. (2022 15%)

[page 21](#)

“

The combination of near-term and longer-timeline opportunities is the basis of our biofuels strategy, giving us huge momentum on the pathway to net zero. ”

SVP Biofuels Growth

Read more about our biofuels business: bp.com/bioenergy

1

Reducing operational emissions in Oman

Our operations and wells teams in Oman contributed 77ktCO₂e to our aim 1 emissions reduction targets through a number of sustainable emissions reductions★. These included flaring optimization and implementing operational efficiencies.

[page 21](#)



Block 61, Khazzan, Oman

3

Net zero sales★

3%

reduction in the average lifecycle carbon intensity of sold energy products★ against the 2019 baseline. (2022 2%)


[page 22](#)

3

Producing more renewable natural gas

Archaea Energy, a leading US producer of renewable natural gas (RNG), which bp acquired through a deal announced in 2022, has started production at its new modular design RNG plant in Medora, Indiana – an industry first that could help streamline and accelerate build times for RNG plants.

[page 23](#)



Archaea Energy, Kansas, US

4

Reducing methane

0.05%

methane intensity★ (2022 0.05%)

[page 24](#)

5

More \$ into transition

\$3.8bn

transition growth investment★ (2022 \$4.9bn)

[page 26](#)

4

Implementing methane measurement across our upstream oil and gas assets

We have completed the implementation of our planned methane measurement approach across our upstream oil and gas assets, with the introduction of software for flare efficiency, predictive emissions monitoring on gas turbines and additional or updated meters among other measures.

[page 25](#)



Project Seagull, North Sea, UK

★ See the glossary on [pages 59-61](#)

Introduction

Our ambition is to be a net zero★ company by 2050 or sooner, and to help the world get to net zero^a. We are aiming to be net zero across our operations, production and sales.

We have worked consistently to deliver our 10 net zero aims since their launch in 2020.

The pace of the energy transition varies as a consequence of the actions taken by governments and other stakeholders to address issues such as energy security, affordability and low carbon. The impacts of the COVID-19 pandemic, the war in Ukraine, and the subsequent disruptions to energy supplies are still being experienced.

These impacts, along with the US Inflation Reduction Act, are all discussed in the *bp Energy Outlook 2023*. The scenarios set out in this document explore some of the possible pathways that the energy transition could take up to 2050 and help to inform our key beliefs about it. These beliefs include the following:

- The carbon budget is running out. Despite the marked increase in government ambitions, carbon dioxide emissions have increased every year since the Paris COP in 2015 (except for 2020).
- The disruption to global energy supplies and associated energy shortages caused by the Russia-Ukraine war increased the importance attached to addressing the issues of energy security and affordability.

- The structure of energy demand will continue to change, with fossil fuels declining and being replaced by a growing share of renewable energy and by increasing electrification.
- The transition to a low carbon world requires a range of other energy sources and technologies, including low carbon hydrogen, modern bioenergy and carbon capture, use and storage.

 [bp.com/energyoutlook](https://www.bp.com/energyoutlook)

Our net zero targets and aims

We believe our ambition and aims, taken together, are consistent with the goals of the Paris Agreement. By setting a path that enables us to make a positive contribution, working to build and participate in many of the new net zero value chains the world will need, and by decarbonizing our own operations, our ambition and aims support the world's progress towards the goals of the Paris Agreement.

The *bp Sustainability Report 2021* described our approach to divestment activities, which remains unchanged, and how divestments (still an important part of our strategy) contribute to our aims 1, 2 and 3. It also described our position on carbon credits and offsetting.

 [Read the bp Sustainability Report 2021: bp.com/reportingcentre](https://www.bp.com/reportingcentre)



Azeri Central East project, Azerbaijan

^a What we mean by net zero for the world is different from what it means for bp.

★ See the glossary on [pages 59-61](#)

Consistency of our ambition and aims with the Paris goals

In a world heading for net zero, we believe bp is best positioned for success if we also head for net zero – working to build and participate in net zero value chains, using our capabilities to integrate along and across them, and decarbonizing our own operations.

We believe that our net zero ambition and aims, taken together, set out a path for bp that is consistent with the goals of the Paris Agreement.

When we refer to 'consistency with Paris' we consider this to mean consistency with the world meeting the temperature goal set out in Articles 2.1(a) and 4.1 of the Paris Agreement on Climate Change★.

The Paris goals, which we support, were reaffirmed under the UAE Consensus at COP28 in December 2023, by the Sharm el-Sheikh Implementation Plan agreed by the Parties at COP27 in November 2022, and the Glasgow Climate Pact agreed by the Parties at COP26 in November 2021.

We believe our ambition and our 10 net zero aims need to be considered as a package for consistency with the Paris goals. This is because they combine to set bp's direction for net zero, supporting society's drive towards the Paris goals and enabling bp to succeed in a Paris-consistent world.

 [Read more about consistency with Paris in the **bp Annual Report 2023 pages 14-15**](#)

★ See the glossary on [pages 59-61](#)

Our view of Paris consistency continues to be based on three key principles:

1 Informed by Paris-consistent energy transition scenarios

We are confident that our approach is science-based. We see the Intergovernmental Panel on Climate Change (IPCC) as the most authoritative source of information on the science of climate change and we use it and other sources to inform our strategy. The IPCC highlights that there are a range of global pathways by which the world can meet the Paris goals, with differing implications for regions, industry sectors and sources of energy.

The *bp Energy Outlook 2023* updated the 2022 Outlook to reflect the significant developments in global energy markets during the preceding year, including the possible impact of the Russia-Ukraine war on the pace of the energy transition. It includes three main scenarios – two of which we regard as Paris-consistent (Accelerated and Net Zero scenarios) – which we use along with other sources to inform our strategy.

 [Read more in the **bp Net Zero Ambition Progress Update 2024 page 3**](#)

2 Positioned for strategic resilience

We believe our strategy positions bp for success and resilience in a Paris-consistent world – a world that is progressing on one of the many global trajectories considered to be Paris-consistent, and ultimately meets the Paris goals.

Our strategy diversifies bp's portfolio and business interests, reducing the risk that challenges facing a single business area might adversely affect bp's strategic resilience. In addition (within the inevitable constraints associated with factors such as long-term capital investments, contractual commitments and organizational capabilities at any given time) bp's ability to maintain its strategic resilience rests, in part, on the governance used to keep the strategy under review in light of new information and changes in circumstances.

3 Contributes to net zero

We believe our strategy enables us to make a positive contribution to the world achieving net zero GHG emissions and meeting the Paris goals – outcomes we believe to be in our best interests as well as beneficial to society generally. We see huge opportunity in the energy transition – the transformation of the energy system that we believe to be a necessary feature of the world's efforts to meet the Paris goals.

In addition to investing in and scaling our own lower carbon businesses there are many ways a company at the heart of the energy sector can make a meaningful contribution to the world getting to net zero. These include: policy advocacy and seeking to use our influence with trade associations that conduct climate-related advocacy; low carbon collaboration and support for others in their own decarbonization efforts (such as cities and corporates); and making venturing investments in promising new businesses and technologies that have the potential to contribute to the energy transition. We seek to advance these areas through our aims 1-5 in support of our ambition to be a net zero company by 2050, or sooner, and aims 6-10 which are focused on activities that can help the world get to net zero.

 [Read more in the **bp Net Zero Ambition Progress Update 2024 pages 7 and 20**](#)

Aims 1-5 update

Five aims to get bp to net zero – progress summary

Aims	Measure/ coverage	2019	2020 performance	2021 performance	2022 performance	2023 performance	2025 targets	2030 aims	Aims for 2050 or sooner
Aim 1 <i>Net zero operations</i> ★	Scope 1+2	Baseline 54.5 ^a MtCO ₂ e	16% ^b	35% ^b	41% ^b	41% ^b	20% ^b	50% ^b	Net zero★
Aim 2 <i>Net zero production</i> ★	Scope 3	Baseline 361 MtCO ₂	9% ^b	16% ^b	15% ^b	13% ^b	10-15% ^b	20-30% ^b	Net zero★
Aim 3 <i>Net zero sales</i> ★	Average lifecycle carbon intensity ^c	Baseline 79 ^d gCO ₂ e/MJ	2% ^{d,e}	1% ^{d,e}	2% ^{d,e}	3% ^{d,e}	5% ^e	15-20% ^e	Net zero★
Aim 4 <i>Reducing methane</i>	Methane intensity★	0.14% ^f	0.12% ^f	0.07% ^f	0.05% ^f	0.05% ^f	0.20% ^g	50% ^h reduction	
Aim 5 <i>More \$ into transition</i>	Transition growth investment★	\$634m	\$995m	\$2.4bn	\$4.9bn	\$3.8bn	\$6-8bn	\$7-9bn	

a Changed from 54.4MtCO₂e for consistency in rounding.

b Reduction in absolute emissions against the 2019 baseline.

c Average carbon intensity of our sold energy products★.

d Previously reported aim 3 figures for the period 2019 - 2022 have been restated to correct misstatements in sales data identified through business reviews and digital improvement projects. The restatement does not alter the previously disclosed average lifecycle carbon intensity of our sold energy products. Read more on page 22.

e Reduction in the average carbon intensity of sold energy products against the 2019 baseline. The percentage change is calculated from the source data instead of the rounded carbon intensity number.

f The methane intensity for these years is calculated using our existing methodology and, while it reflects progress in reducing methane emissions, will not directly correlate with progress towards delivering the 2025 target under aim 4.

g The 0.20% methane intensity target is based on our new measurement approach. Methane intensity is currently calculated using our existing methodology.

h The 50% reduction we are aiming for is against a new baseline which we plan to set based on the new measurement approach.

★ See the glossary on [pages 59-61](#)

1

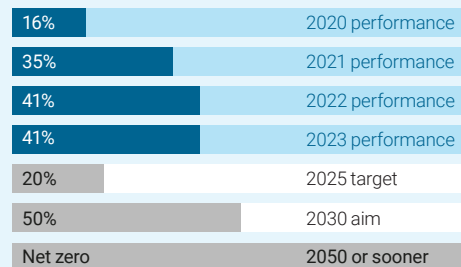
Net zero operations★

Our aim 1 is to be net zero across our entire operations on an absolute basis by 2050 or sooner.

This aim relates to our Scope 1 (from running the assets within our operational control boundary) and Scope 2 (associated with producing the electricity, heating and cooling that is bought in to run those operations) GHG emissions. These emissions were 54.5MtCO₂e in 2019^a. We are targeting a 20% reduction in our aim 1 operational emissions by 2025 and will aim for a 50% reduction by 2030 against our 2019 baseline.

Progress and targets

Reduction in emissions against the 2019 baseline (absolute basis).



Our actions

Operational efficiency

We are implementing energy efficiency measures, electrifying our centralized facilities, reducing flaring and venting, and managing methane across our operations. Emissions reduction activities may include process optimization, steam heat recovery and powering refineries and onshore upstream assets using power with lower carbon attributes, as we are already doing at several of our European and US refineries.

These activities support delivery of aim 1 and we are continuing to identify and progress projects that may contribute to emissions reductions.

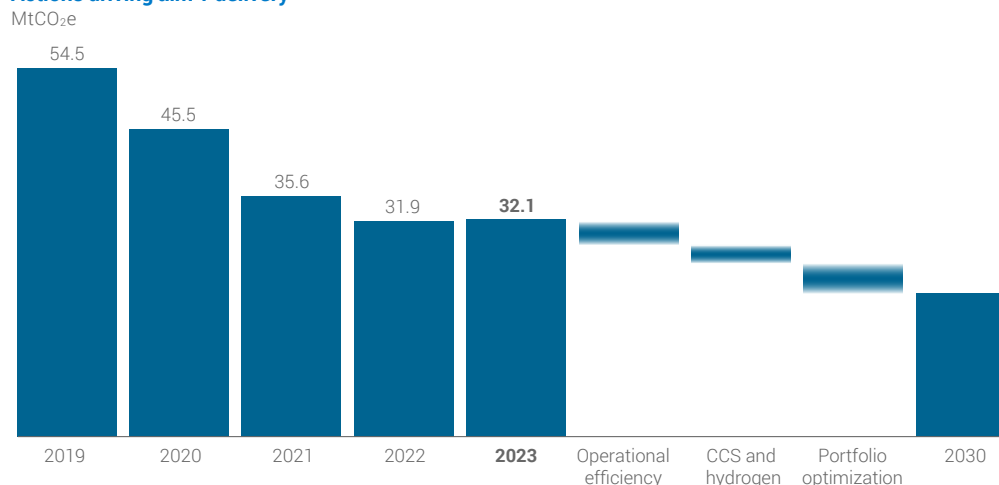
Carbon capture and storage (CCS) and hydrogen

Where conditions are suitable, extraction of carbon dioxide from produced gas streams and reinjection underground can serve to reduce overall operational emissions. We believe this could be the case at our Tangguh LNG facility in Indonesia, where we are continuing work on the Tangguh Enhanced Gas Recovery and CCS scheme, designed to inject carbon dioxide back into the reservoir. We also plan to increase the use of blue and green hydrogen★ at our refineries, reducing the emissions associated with the use of natural gas and grey hydrogen.

Portfolio optimization

As we high-grade our portfolio and focus on our most resilient assets, we expect emissions from our operations to reduce over time.

Actions driving aim 1 delivery^b

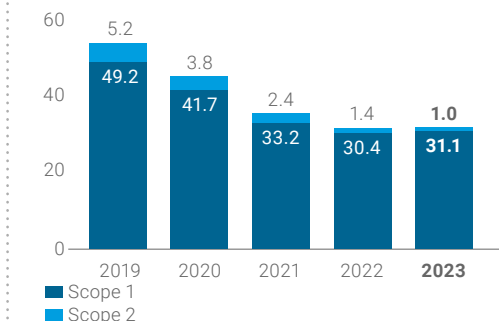


Our progress in 2023

We continued on our path towards our operational emissions reduction target in 2023, although compared with 2022 (31.9MtCO₂e), Scope 1 and 2 emissions remained broadly flat.

Our combined Scope 1 and 2 emissions, covered by aim 1 were 32.1MtCO₂e – a decrease of 41% from our 2019 baseline of 54.5MtCO₂e^c. The total decrease includes 17.9MtCO₂e attributable to divestments and 5.0MtCO₂e in sustainable emission reductions (SERs)★.

Scope 1 (direct) and Scope 2 (indirect) GHG emissions (operational control boundary)^{c,d,e,f} (MtCO₂e)



We have already exceeded our 2025 target of 20% emission reductions against our 2019 baseline. New projects are coming online, adding to the challenge of reducing our operational emissions and continued investment will be needed to meet our 2030 aim. SERs have been a focus for us, allowing us to apply our skills to emission reductions and we intend to maintain that focus.

a Changed from 54.4MtCO₂e for consistency in rounding.

b This chart is intended to be illustrative of a range of contributions that individual aspects of our plans may make relative to others. They should not be taken to represent specific expectations of actual impacts of actions driving delivery.

c Scope 2 emissions on a market basis.

d Operational control data comprises 100% of emissions from activities operated by bp, going beyond the Ipeca guidelines by including emissions from certain other activities such as contracted drilling activities. See bp.com/basisofreporting

e Due to rounding some totals may not equal the sum of their component parts. This does not affect the underlying values.

f Scope 2 GHG emissions figure for 2022 updated to reflect use of renewable energy in UK and offshore in 2022.

★ See the glossary on [pages 59-61](#)

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

In 2023 our Scope 1 (direct) emissions, covered by aim 1, were 31.1MtCO₂e – an overall increase from 30.4MtCO₂e in 2022. Of these Scope 1 emissions, 30.2MtCO₂e were carbon dioxide and 1.0MtCO₂e methane^a. Overall emissions increased due to temporary operational changes, project start-ups and growth, which were partially offset by delivery of SERs and divestments.

In 2023 our Scope 2^b (indirect) emissions, covered by aim 1, decreased by 0.4MtCO₂e, to 1.0MtCO₂e, compared with 2022. Lower carbon power agreements, including those at our Cherry Point and Whiting refineries, contributed to this decrease.

Overall, key factors affecting our Scope 1 and 2 emissions in 2023 included:

- The Archaea Energy and TravelCenters of America acquisitions increased Scope 1 and 2 emissions by 0.4MtCO₂e.
- Divestments reduced Scope 1 and 2 emissions by 1.9MtCO₂e.
- Delivery of SERs reduced Scope 1 and 2 emissions by 0.9MtCO₂e.
- Other permanent increases of 1.2MtCO₂e include projects that came online in 2023, for example Tangguh Train 3, Mad Dog phase 2, bpx energy production increases, and Seagull North Sea start-up.
- Total temporary production-related changes accounted for an increase of 1.3MtCO₂e.
- Total hydrocarbons flared increased from 654kt to 861kt primarily due to operational flaring issues in the Azerbaijan-Georgia-Türkiye region and Tangguh Train 3 start-up.

SERs from our businesses and activities included:

- Cherry Point and Whiting refineries reduced Scope 2 emissions from purchased electricity by 255ktCO₂e through lower carbon power agreements.
- Oman operations and wells teams achieved combined operational emissions reductions of 77ktCO₂e through a number of interventions including flaring optimization and improved operational efficiency.
- The expansion of bpx energy's network of centralization facilities reduced operational emissions by 149ktCO₂e. The Bingo facility came online in August 2023.

bp equity share emissions

We report our operational (Scope 1 and 2) GHG emissions in our ESG datasheet, with reference to two boundaries – operational control and bp equity share. Operational control boundary covers bp-operated assets^c. bp equity share covers 100% of emissions from subsidiaries and the percentage of emissions equivalent to our share of joint arrangements and associates^d. Our aggregate Scope 1 and 2 emissions increased on an equity share basis, compared with 2022.

 bp.com/ESGdata

a Due to rounding some totals may not equal the sum of their component parts. This does not affect the underlying values.

b Scope 2 emissions on a market basis.

c Operational control data comprises 100% of emissions from activities operated by bp, going beyond the Ipeca guidelines by including emissions from certain other activities such as contracted drilling activities. Read more bp.com/basisofreporting.

d bp equity share data comprises 100% of emissions from subsidiaries and the percentage of emissions equivalent to our share of joint arrangements and associates, other than bp's share of Rosneft. On 27 February 2022, bp announced that it intends to exit its 19.75% shareholding in Rosneft Oil Company (Rosneft). bp ceased equity accounting for Rosneft from this date.

e Excluding bp's share of production in Rosneft. On 27 February 2022, bp announced that it intends to exit its 19.75% shareholding in Rosneft Oil Company (Rosneft). bp ceased equity accounting for Rosneft from this date.

★ See the glossary on [pages 59-61](#)

2

Net zero production★

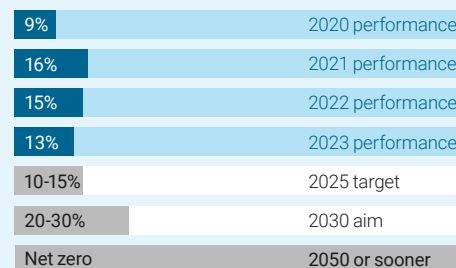
Our aim 2 is to be net zero on an absolute basis across the carbon in our upstream oil and gas production by 2050 or sooner.

This is our Scope 3 aim and is based on bp's net share of production^e (around 361MtCO₂ in 2019). It is associated with the CO₂ emissions from the assumed combustion of upstream production of crude oil, natural gas and natural gas liquids (NGLs).

We are targeting a 10-15% reduction by 2025 and will aim for 20-30% by 2030 against our 2019 baseline.

Progress and targets

Reduction in emissions against the 2019 baseline (absolute basis).



Our actions

Portfolio optimization

Becoming net zero on an absolute basis across the carbon in our upstream oil and gas production is partly linked to reducing that production.

We have stated that we are aiming for a reduction in oil and gas production by around 25% by 2030, compared to 2019^e.

This aim takes account of anticipated base decline of existing fields, new projects coming online and the ongoing strategic high-grading of our portfolio – which we are designing to be operationally and economically robust, and resilient to unplanned or unexpected factors such as price volatility and geopolitical risk.

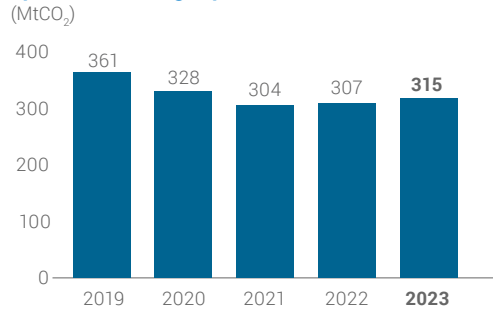
Our exploration capital expenditure★ has declined from a peak of \$4.6 billion in 2010, to around \$600 million in 2023.

Our progress in 2023

Since 2019 our estimated Scope 3 emissions covered by aim 2 have reduced by 13%, which is around the mid-range of our 2025 target of a 10-15% reduction against our 2019 baseline. Our plans and forward path for emissions covered by aim 2 will take into account growth in underlying production due to major project start ups out to 2025, deferred divestments and growth in bpx energy production

The estimated Scope 3 emissions from the carbon in our upstream oil and gas production were 315MtCO₂ in 2023 – a slight increase from 307MtCO₂ in 2022, mainly associated with an increase in underlying production due to the ramp-up of major projects and higher asset performance.

Estimated emissions from the carbon in our upstream oil and gas production



Estimated emissions from the carbon in our upstream oil and gas production by product

	2019	2020	2021	2022	2023
	baseline	performance			
Total	361	328	304	307	315
Oil	185	177	157	152	158
Gas	165	140	138	145	146
NGL	11	11	9	10	11

3

Net zero sales★

Our aim 3 is to reduce to net zero the carbon intensity of the energy products★ we sell by 2050 or sooner.

This aim applies to the average carbon intensity of the energy products we sell. It is estimated on a lifecycle (full value chain) basis from the use, production, and distribution of sold energy products★ per unit of energy (MJ) delivered.

Progress and targets
Reduction in the carbon intensity of our sold energy products against the 2019 baseline.

- 2% 2020 performance
- 1% 2021 performance
- 2% 2022 performance
- 3% 2023 performance
- 5% 2025 target
- 15-20% 2030 aim
- Net zero^a 2050 or sooner

Our actions

Progress on our aim 3 is directly linked to our strategy to grow our low carbon businesses and provide products that have lower lifecycle emissions. We anticipate that this change in our sales portfolio will be supported by the continued evolution of the market.

We are aiming to increase our capital investment in our transition growth★ engines, which include low carbon activity★. Our aim 5 is to increase the proportion of investment into non-oil and gas. Read more about our aim 5 on [page 26](#).

Aim 3 update

Energy included under aim 3 for 2019 (our baseline year) has been restated to 20.3EJ and the emissions to 1,597MtCO₂e to correct misstatements in sales data identified through business reviews and digital improvement projects. Overall, the 2019 carbon intensity remained at 79gCO₂e/MJ. We have made similar restatements for other reporting years which are captured in the data in this section.

In 2023 improvements in our aim 3 methodology included a more granular assignment of environmental attributes to power and the application of increased consistency between financial and carbon reporting which resulted in the inclusion of additional sales volumes by equity accounted entities. Further details of the aim 3 methodology are described in the *bp Basis of Reporting 2023*.

bp.com/basisofreporting

Actions driving aim 3 delivery^b

For aim 3, reducing the average carbon intensity of sold energy products is driven by efforts to decarbonize the products we sell today and investments in EV charging, bioenergy, renewables and power as well as the transition of our energy product trading mix in line with the decarbonization of our activities and global energy over time.

79 gCO₂e/MJ

2019 baseline

Bioenergy

EV charging and convenience

Renewables & power

2030

15-20% reduction

a At the point of net zero, our net zero carbon intensity aim 3 also means we will be net zero on an absolute basis.
 b This chart is intended to be illustrative of a range of contributions that individual aspects of our plans may make relative to others. They should not be taken to represent specific expectations of actual impacts of actions driving delivery.
 ★ See the glossary on [pages 59-61](#)

Our strategic themes

We expect the implementation of our strategy across our three strategic pillars – resilient hydrocarbons, convenience and mobility, and low carbon energy – to support delivery of our aim 3 up to and beyond 2030.

In charting our aim 3 path, we recognize that significant aim 3 benefits arise over the longer term – for example, as offshore wind projects that we are working on through this decade come into operation after 2030; or as utilization rates for EV charge points increase in later years as EV uptake grows. The same is true of our current investment in convenience and retail platforms with a longer-term aspiration to introduce lower carbon transport offers as our customers' energy needs evolve.

Examples of actions to advance aim 3 across our three strategic pillars include:

Resilient hydrocarbons

We are in action to grow our bioenergy businesses. By 2025 we aim to grow our biofuels production to around 50kb/d and our biogas supply volumes to around 40mboe/d. Our refinery operations are in regions where we expect to see strong growth in bioenergy demand, and our manufacturing processes are well positioned to adapt to this. Read more about bioenergy on [page 26](#).

Convenience and mobility

EV charging is growing at pace and we see significant value arising through our focus on fast charging for on-the-go customers. The majority of charge points we roll out globally are rapid or ultra-fast and we aim to grow our global network and increase our energy sales.

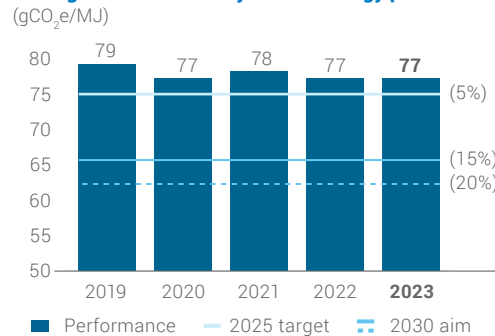
Low carbon energy

When we see strategic value in doing so, we intend to integrate our electricity generation positions with a growing commercial and industrial customer portfolio and aim to significantly increase our electricity trading volumes.

Our progress in 2023

In 2023 the average carbon intensity of our sold energy products was 77gCO₂e/MJ. This represents a 3% decrease from our 2019 baseline, driven by changes in the sold product mix, methodology updates and the impact of portfolio changes such as the full year accounting of sales by EDF Energy Services.

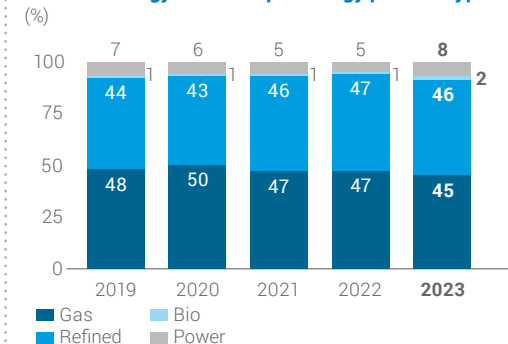
Average carbon intensity of sold energy products^{b,c}



Average carbon intensity of sold energy products^c

	2019	2020	2021	2022	2023
Average emissions intensity of energy products	79	77	78	77	77
Refined energy products	95	92	92	92	92
Gas products	68	67	67	67	67
Bioproducts	47	44	43	43	40
Power products ^d	56	58	56	52	50

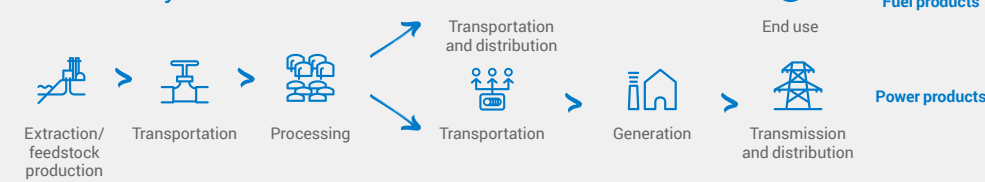
Share of energy delivered per energy product type^{c,e}



Full value chain emissions for energy products

Aim 3 is estimated on a lifecycle basis covering the full value chain of well-to-wheel or well-to-wire emissions associated with the energy products we sell.

Product lifecycle



a The percentage change is calculated from the source data instead of the rounded carbon intensity number.
 b The aggregate lifecycle emissions and energy values used in the calculation of the average lifecycle carbon intensity of sold energy products is provided in the *bp ESG Datasheet 2023*.
 c Previously reported aim 3 figures for the period 2019–2022 have been restated to correct misstatements in sales data identified through business reviews and digital improvement projects.
 d Covers all power, including renewable and non-renewable.
 e The share of energy is based on the total energy associated with sales of energy products, with electricity represented as fossil equivalence of sold energy. Due to rounding the sum of the component parts may not exactly equal 100%. This does not affect the underlying values.

★ See the glossary on [pages 59-61](#)

4

Reducing methane

Our aim 4 is to install methane measurement at all our existing major oil and gas processing sites by 2023, publish the data, and then drive a 50% reduction in methane intensity★ of our operations.

And we will work to influence our joint ventures★ to set their own methane intensity targets of 0.2%.

Progress and targets

Methane intensity^a

0.12% ^b	2020 performance
0.07% ^b	2021 performance
0.05% ^b	2022 performance
0.05%^b	2023 performance
0.20%	2025 target ^c
50%	Aim ^d

a Methane intensity refers to the amount of methane emissions from bp's operated upstream oil and gas assets as a percentage of the total gas that goes to market from those operations. Our methodology is aligned with the Oil and Gas Climate Initiative's (OGCI).

b Methane intensity is currently calculated using our existing methodology and, while it reflects progress in reducing methane emissions, will not directly correlate with progress towards delivering the 2025 target under aim 4.

c The 0.20% methane intensity target is based on our new measurement approach. Methane intensity is currently calculated using our existing methodology.

d The 50% reduction we are aiming for is against a new baseline which we plan to set based on the new measurement approach.

★ See the glossary on [pages 59-61](#)

Our actions

Methane measurement

We have completed the implementation of our planned methane measurement approach across our upstream oil and gas assets, with the introduction of software for flare efficiency, predictive emissions monitoring on gas turbines, and additional or updated meters among other measures. This follows more than three years' work to identify suitable measurement solutions and manage their roll-out across our varied and complex global operations.

We are also using drone and aircraft-mounted sensors to verify reported methane emissions at selected locations and in 2023 this approach was tested further ahead of planned wider deployment up to 2025.

In 2023 together with Baker Hughes, we tested and deployed Flare.IQ to track flare performance in near real-time. The new technology uses data from existing metering systems and modelling to better determine methane emissions from flaring.

Initial insights from our methane measurement activities suggest that our upstream★ flaring efficiency may, under certain environmental conditions, be better than previously understood and methane emissions from gas turbines may be lower than previously understood based on the existing methodology.

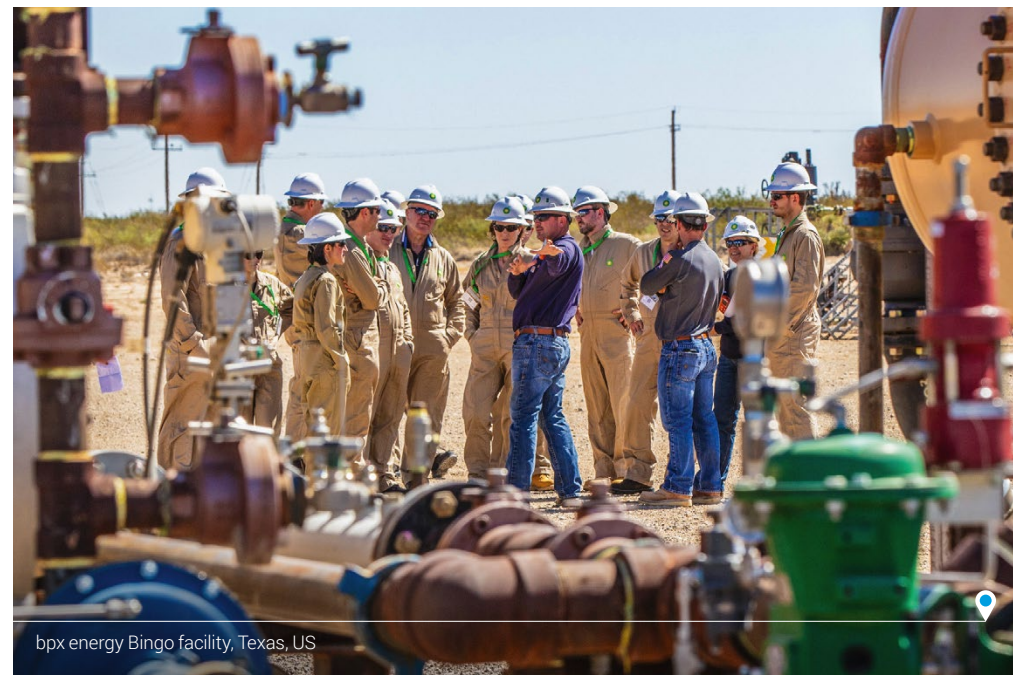
We intend to take stock of our targets under aim 4 based on what we learn from our ongoing methane measurement activities and to take account of the Oil & Gas Decarbonization Charter announced at COP28, which we signed in 2023.

Across bpx energy's operations in the US, we use a varied approach to detection and measurement, reflecting the geographic spread of bpx energy facilities and the diverse types of equipment that may be methane sources. This approach includes measurement programmes, focused on pneumatics and fugitive leaks, direct measurement of large engines and detailed engineering calculations. These activities are complemented by the use of fixed wing aerial surveys, drones and handheld cameras.

Methane reduction activity

In 2023 we continued work to reduce operational methane emissions – including upgrades in our current operations and advances in the design of our new facilities. Methane sustainable emissions reductions (SERs)★ were around 56ktCO₂e, and were delivered across multiple projects. For example, our North Sea and Trinidad and Tobago operations reduced methane emissions from flaring and venting by using nitrogen as a purge gas.

bpx energy utilizes electrification and centralized production facilities that allow new well sites to be built without tanks, flares or on-site compression, which reduces the methane and flaring intensity in its US, Permian Basin operations. This network of facilities was expanded with the start-up of the Bingo facility in August 2023.



bpx energy Bingo facility, Texas, US

Technology implementation

The use of technologies to detect, measure and reduce methane is evolving at pace. The measurement technology solutions adopted on our flares and gas turbines will provide us with real-time data to help improve methane performance. We will monitor new developments and assess new solutions as they emerge.

Non-operated joint venture (NOJV) activities

With guidance from our NOJV Solutions team, we are working to help our NOJVs improve the reporting and mitigation of their methane emissions.

We have prioritized collaboration with NOJVs that have the greatest potential to reduce methane emissions, and we are working on multiple aspects related to methane emission reductions, including measuring and reporting, the use of technology and setting meaningful targets.

We are helping different NOJVs make progress and in many instances we are learning from them. We encourage them to work in line with guidance from organizations such as the Methane Guiding Principles (MGP) and the Oil and Gas Methane Partnership (OGMP). Our collaborations with NOJVs in 2023 included seminars on methane monitoring technologies, awareness raising sessions on OGMP and workshops to identify emissions reductions opportunities.

Collaboration and methane advocacy

In 2023 we retained gold status for our plans to measure methane emissions under the OGMP 2.0 reporting framework. This award recognized the work of many bp teams and collaborations with our partners including NOJVs. Our work under OGMP is consistent with and goes beyond aim 4.

In December 2023 bp and the State Oil Company of the Azerbaijani Republic (SOCAR) signed a memorandum of understanding to work together to improve methane reduction education, capability development, measurement, reporting, verification, technology and technical expertise in Azerbaijan. This followed the launch of the Advancing Global Methane Reductions (AGMR) project in Azerbaijan in November.

This project is part of a larger undertaking being run through the MGP which aims to accelerate country-level methane emissions reductions. As part of the AGMR, SOCAR and bp plan to bring together key stakeholders, partners, research institutes and government leaders to support efforts towards developing a methane reduction pathway that meets the needs of Azerbaijan's energy sector.

We have advocated for sound methane policy, including the federal regulation of methane emissions in the US. Read more about our advocacy activities on [page 28](#).

 [bp.com/advocacyactivities](https://www.bp.com/advocacyactivities)

Oil & Gas Decarbonization Charter

We are part of a group of more than 50 companies that have signed the Oil & Gas Decarbonization Charter, launched at COP28 in December 2023. The Charter includes aims to achieve net zero operations by or before 2050, and zero routine flaring and near-zero methane emissions by 2030.

We believe it represents an important opportunity for the oil and gas sector to continue driving down operational emissions through concerted action. We know that different players in our sector are at different stages in their decarbonization journeys, but we believe a collective, inclusive approach can contribute to global efforts to meet the Paris goals. The Charter recognizes the need for leading companies to support others in the earlier stages of their methane journeys.

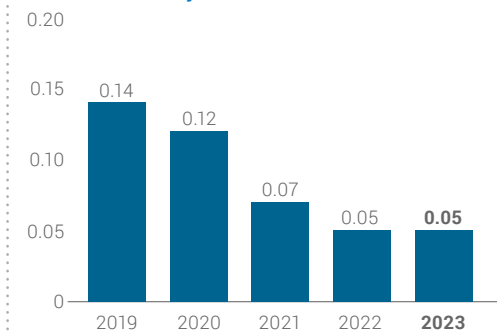
We also intend to donate \$25 million to the Global Flaring and Methane Reduction trust fund – a World Bank initiative to boost financing mechanisms and technical solutions that enable methane emissions reduction.

Our progress in 2023

We maintained our methane intensity at 0.05% in 2023^b. Methane emissions from upstream operations, used to calculate our intensity, increased by around 10% from 28kt in 2022 to 31kt in 2023. This increase is primarily from changes in flaring in our Azerbaijan-Georgia-Türkiye region and Tangguh operations. It was offset by methane emissions reductions from delivery of SERs. Marketed gas volumes increased by 4% to 3,332bcf in 2023.

We remain on track to reach zero routine flaring by 2030 in line with our aim under the World Bank's Zero Routine Flaring Initiative. Our bpx energy operations have achieved zero routine flaring, ahead of our 2025 goal.

Methane intensity^{a,b}



^a Methane intensity refers to the amount of methane emissions from bp's operated upstream oil and gas assets as a percentage of the total gas that goes to market from those operations. Our methodology is aligned with the Oil and Gas Climate Initiative's (OGCI).

^b Methane intensity is currently calculated using our existing methodology and, while it reflects progress in reducing methane emissions, will not directly correlate with progress towards delivering the 2025 target under aim 4.

5

More \$ into transition

Our aim 5 is to increase the proportion of investment we make into our non-oil and gas businesses.

Over time, as investment goes up in low and zero carbon, we see it going down in oil and gas.

Progress and targets

Annual \$ investment in transition growth★ engines

\$0.6bn	2019
\$1.0bn	2020
\$2.4bn	2021
\$4.9bn	2022
\$3.8bn	2023
\$6-8bn	2025 target
\$7-9bn	2030 aim

★ See the glossary on [pages 59-61](#)

Our actions

Bioenergy

We plan to grow our established bioenergy businesses. In 2022 we acquired Archaea Energy, which continued its growth throughout 2023. In October Archaea Energy started up its modular design renewable natural gas (RNG) plant in Medora, Indiana, US which represents an industry first and can help to streamline and accelerate build times for other RNG plants. Archaea Energy has a development pipeline of around 80 projects, and expects to start up 15-20 new plants per year through 2025.

In 2023 we increased our biofuels production★ by 18% year on year to 32kb/d and biogas supply volumes★ by 80% year on year to 15mboe/d reflecting the uplift from Archaea.

EVs

Together with our strategic convenience site★ network, our investment in EV charging will help us offer low carbon solutions to customers. We believe that for road transport to decarbonize at the pace and scale required to achieve the goals of the Paris Agreement, it is necessary for the roll-out of EV charging infrastructure and use of EVs to be scaled up in parallel with, or even ahead of, the required decarbonization of electricity grids.

In 2023 we continued to grow our EV charging network:

- In the US, we announced that *bp pulse* has entered into an agreement with Tesla for the future purchase of \$100 million of ultra-fast★ chargers. The investment will facilitate the expansion of the *bp pulse* public network across the US and support EV fleet customers by deploying chargers at their private depots.

- In the UK, in partnership with The EV Network and NEC Group, we opened the *Gigahub* at the NEC Campus, Birmingham. It is the UK's largest public EV charging hub, capable of charging around 180 EVs simultaneously.
- We announced a new global mobility agreement with Uber, which will see us work together to help accelerate Uber's commitment to become a zero-tailpipe emissions mobility platform in the US, Canada and Europe by 2030 and globally by 2040.
- We formed a joint venture★ with Iberdrola to accelerate the roll out of EV charging infrastructure in Spain and Portugal, with plans to invest up to €1 billion and install 5,000 fast EV charge points★ by 2025 and around 11,700 by 2030.



bp pulse EV charging hub, Birmingham, UK

Convenience

We had 2,850 strategic convenience sites at the end of 2023, with an aim to grow this total to around 3,000 by 2025 and around 3,500 globally by 2030. In May 2023 we acquired TravelCenters of America, a leading travel centre operator in the US with a network of around 290 travel centres strategically located on major highways across the US. This acquisition complements our US convenience and mobility business and brings growth opportunities for our transition growth engines: EV charging via *bp pulse*, convenience, bioenergy and, in time, hydrogen.

In Germany we continued our partnership with Lekkerland with a five-year extension to our agreement to deliver REWE To Go stores at *Aral* retail sites★. In Poland we extended our partnership with Auchan and plan to add more than 100 EasyAuchan stores to our Polish retail network by the end of 2025. This builds on our existing partnership with Auchan in Luxembourg.

We believe we are well positioned to combine our capabilities and reach in both convenience and EV charging – enabling us to provide customer-focused, lower carbon transport solutions over time.

Renewables and power

We aim to build a renewables and power portfolio through continued growth in onshore renewables and by developing a global position in offshore wind. This portfolio will support the development of our green hydrogen★, e-fuels, EV charging and power trading businesses. In 2023:

- We were awarded the rights to develop two offshore wind projects in the German tender round – marking our entry into offshore wind in continental Europe. The two North Sea sites have a total potential generating capacity of 4GW.

- We announced our joint venture with Deep Wind Offshore to develop opportunities in South Korea. As part of this agreement, we have acquired a 55% stake in Deep Wind Offshore's early-stage offshore wind portfolio, which includes four projects across the Korean peninsula with a combined potential generating capacity of up to 6GW.
- In the US, Lightsource bp started construction work on the Arche solar project in Ohio, secured by a power-purchase agreement with Meta. In Texas, Lightsource bp also started construction work on the 187MW dc Peacock solar project. Peacock will supply power directly to the Gulf Coast Growth Ventures petrochemical complex as part of a long-term power purchase agreement.

Hydrogen

We aim to build a global position in hydrogen – initially by supplying our own refineries and then by scaling up to meet growing customer demand. In parallel, as markets evolve, we aim to develop global export hubs for hydrogen and its derivatives.

In 2023 we announced a \$12.5 million investment in the hydrogen electrolyzer innovator, Advanced Ionics. This investment is expected to help drive Advanced Ionics' growth and facilitate the initial deployment of its Symbion™ water vapour electrolyzer technology for heavy industry. This technology is expected to help reduce the cost of, and electricity requirements for, green hydrogen production.

In Spain, we announced plans for a low carbon green hydrogen cluster (HyVal) in Spain's Valencia region. This planned initiative is set to be based around the phased development of electrolysis capacity to produce green hydrogen at our Castellón refinery. We also plan to triple the refinery's production of biofuels to help meet the growing demand for low carbon fuels such as sustainable aviation fuel.

Our progress in 2023

In 2023 transition growth investment★ was \$3.8 billion. This compares to \$0.6 billion in 2019 and \$4.9 billion in 2022. It represents around 23% of total capital expenditure★ for the year, which compares to around 3% in 2019 and around 30% in 2022. The change from 2022 reflects lower inorganic investment in our transition growth engines, outweighing an increase in organic investment in them over 2023.

As we highlighted in our 2022 report, it is not always possible to predict the timing of our capital investments, which means the progress we make on aim 5 can be expected to fluctuate – as it did between 2021 and 2023. Some of our capital investment goes into large transactions – for example, our acquisitions of Archaea Energy and EDF Energy Services in 2022, and TravelCenters of America in 2023. This is true both for the level of investment, and for the proportion of our overall investment in our transition growth engines, or in our low carbon activity★ subset.

Our disciplined approach to capital investment means that we make individual investments when we consider there to be a clear and compelling business case to do so in line with our balanced set of investment criteria.

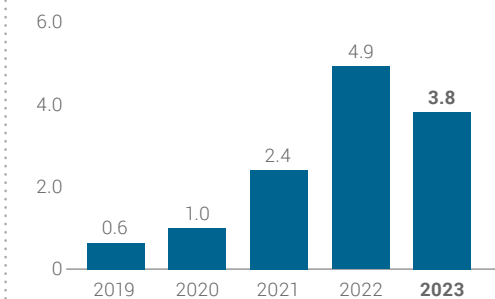
 [Read more in the **bp Annual Report 2023** page 30](#)

We are targeting an increase in the proportion of our annual capital expenditure invested in our transition growth engines. To reach \$6-8 billion in 2025 and \$7-9 billion annual investment by 2030 is dependent both on the timing of investments, as referred to above, and their continuing alignment with our investment governance framework. This seeks to ensure that investments align with our strategy, can be accommodated within our prevailing financial frame, and add shareholder value.

To support this increased capital expenditure, we are continuing to advocate for policies that support investment in our transition growth engines. Read more about our advocacy on [page 28](#).

Transition growth investment

(annual \$bn)



Low carbon activity capital expenditure

In 2023 low carbon activity investment★, a subset of our total transition growth investment, accounted for 67% of our total aim 5 investment. It decreased from more than \$4 billion in 2022 to more than \$2.5 billion reflecting the impact of large low carbon acquisitions in 2022. Most of this investment was in biogas, offshore wind, solar and EV charging. Our current business plans see low carbon activity comprising more than 80% of our aim 5 spend by 2030.

★ See the glossary on [pages 59-61](#)

6

Advocating

Our aim 6 is to more actively advocate for policies that support net zero★, including carbon pricing.

We have redirected resources to promote well-designed climate policies. In the future, any corporate advertising will be to push for progressive climate policy, communicate our net zero ambition or support delivery of our strategy, invite ideas, or build collaborations.

We will continue to run recruitment campaigns and advertise our products, services and partnerships – although we aim for these to increasingly be low carbon.

Our progress in 2023

Our advocacy focused on several themes during 2023, including: stronger methane emissions standards; the need for increased climate policy and regulation; and policy frameworks that support growth in low carbon hydrogen, renewables and power, bioenergy and decarbonizing transportation.

 [bp.com/advocacyactivities](https://www.bp.com/advocacyactivities)

We have improved the transparency of our advocacy for global climate policy by publishing our high-level climate policy positions and examples of our relevant activities.

In 2023 these activities included:

- Backing the Global Renewables Alliance's call at COP28 for a target to triple renewable energy capacity and supporting the COP presidency's drive to accelerate the decarbonization of the energy sector.
- Responding to the European Commission consultation on the EU Climate Target for 2040. We confirmed our support for the EU's objective to achieve climate neutrality, called for an economy-wide carbon price, and emphasized the role of renewable power, hydrogen, CCUS and sustainable biofuels and biogas in achieving net zero.
- Supporting the transition to net zero power systems by engaging with European institutions about how to reform electricity markets to drive investment in renewables.
- Supporting the US Environmental Protection Agency's (EPA) development of methane regulations for new, modified and existing sources in the oil and gas industry, published in 2023. These include pathways for advanced leak detection technologies and limitations on routine flaring.
- Continuing our support of the US Inflation Reduction Act, including its role in backing opportunities for hydrogen and sustainable aviation fuel (SAF).
- Advocating for legislation in Washington state, US, that provides incentives for the production and use of SAF. We stated our support for SAF and its role in reducing lifecycle emissions in air travel.
- Supporting the UK Energy Act 2023, now passed into law, including its associated secondary legislation, which will play an essential role in developing the UK's carbon, capture, use and storage (CCUS) and hydrogen industries.

- Advocating for measures to facilitate transport decarbonization, including the Zero Emissions Vehicle Mandate in the UK and the inclusion of more advanced, sustainable biofuels in the European Renewable Energy Directive.
- Supporting reforms to Australia's Safeguard Mechanism that have now become law and mean that Australia's largest emitters are subject to an emissions baseline and purchase of carbon credits from 1 July 2023.

Public policy engagement

The public policy environment sets the framework in which we operate and it is undergoing significant change. Our main public policy positions are subject to endorsement through our SVP-level sustainability forum and regional policy forums.

Our positions help us advocate for policies that can drive the transition to a secure, affordable, and low carbon energy system, enable our strategy, and support us to embed sustainability in our business. We monitor the external policy environment to identify opportunities and potential risks to our strategy.

 [bp.com/policyandadvocacy](https://www.bp.com/policyandadvocacy)

 [bp.com/USadvocacy](https://www.bp.com/USadvocacy)

7

Incentivizing employees

Our aim 7 is to incentivize our global workforce to deliver on our aims and mobilize them to become advocates for net zero.

This will include continuing to allocate a percentage of remuneration linked to emissions reductions for leadership and around 36,400^a employees.

Our progress in 2023

To help our employees contribute to the delivery of our strategy and sustainability aims, we are educating them about the importance of net zero and supporting them to become advocates for net zero. Our employee-led Global Sustainability Network also brings together employees from across bp to learn about and act on sustainability. Read more on [page 11](#).

Incentivization

Our annual bonus for all eligible employees, including the bp leadership team, has been linked to a sustainability measure since 2019.

The bonus scorecard against which our eligible employees are measured incentivizes them through three themes: safety and sustainability (30% – of which sustainability makes up 15%); operational performance (20%); and financial performance (50%). For 2024 our sustainability measure^b is now linked to our operated carbon emissions, which will cover all increases and decreases in those emissions over the year.

^a This figure reflects the number of employees eligible for a cash bonus in 2023. The number of eligible employees in 2022 was 32,000.

^b This measure was previously linked to sustainable emissions reductions★.

★ See the glossary on [pages 59-61](#)

This measure covers the same Scope 1 and 2 emissions reported under aim 1 (net zero operations)★.

Our 2022-24 long-term incentive plan scorecard also links performance to progress on Scope 1 and 2 emissions in our aim 1; and for group leaders^a two social measures are included – on employee engagement, and improved ethnic minority representation in our senior-level leader^b population and above.

As with the bonus scorecard, for 2024-26 we have adopted an absolute percentage reduction in operational emissions against our 2019 baseline as the basis for measuring our progress against aim 1 in our long-term scorecard. This means that collectively, 35% of our long-term incentive plan for group leaders is linked to sustainability-related measures.

 [Read more in the bp Annual Report 2023 pages 105-132](#)

8

Aligning associations

Our aim 8 is to set new expectations for our relationships with trade associations around the globe.

We will make the case for our views on climate change within the associations we belong to, and we will be transparent where we differ. And where we can't reach alignment, we are prepared to leave.

Our progress in 2023

Trade associations play a key role in fostering industry collaboration and bringing stakeholders together. They also offer opportunities to share good practice on matters of importance to bp. Our voice is one among many, but we believe everyone needs to work together to achieve net zero.

Progress is sometimes challenging and uneven because associations need to take account of members' differing views. We recognize this and intend to continue using our influence to support our positions. Our priority is to exert influence within trade associations, but we may publicly dissent or resign our membership if there is material misalignment on high-priority issues. Some trade associations advocate on matters they consider important to their members. Despite being a member, we may not always agree with the positions they take.

We periodically assess the alignment of key associations with our position on climate.

In 2023 we reviewed the progress of the 10 associations we found to be 'partially aligned', following our 2022 review of 51 of our most significant trade association memberships. 'Partially aligned' means that we disagreed on some positions or that the trade association did not take a public stance on our seven climate positions covering the Paris Agreement, climate science, reducing emissions, carbon pricing, energy efficiency, technology, and carbon credits.

Throughout 2023 we made a case for action in support of our position on climate with these 10 'partially aligned' groups. Overall, we are encouraged by the progress of our trade association memberships. In some cases, by working with others we have succeeded in influencing trade associations' positions – for example, the American Petroleum Institute, with respect to advocacy for year-round sales of E15 gasoline. However, there remain areas where we are partially aligned and on which we continue to engage.

 bp.com/tradeassociations

Updates to our climate policy positions

As the world continues working towards net zero, our policy positions and expectations of the trade associations we belong to will naturally evolve. In 2023 we updated two of the climate positions we use to review trade associations, 'reducing emissions' and 'technology', to take stronger account of our transition growth★ engines (bioenergy, convenience, EV charging, hydrogen and renewables and power).

Working with trade associations on climate issues

Throughout 2023 we pushed for constructive engagement on climate policy proposals, for example:

The Oil and Gas Climate Initiative (OGCI)

OGCI convened its members to help drive action on climate in areas including methane emissions reduction, carbon capture and storage and the decarbonization of transport. OGCI supported the Oil and Gas Decarbonization Charter (OGDC), a COP28 initiative, which we signed in 2023. Read more on [page 26](#).

ChargeUK

We played a key role in the creation of ChargeUK, a trade association that brings together leading EV charging infrastructure providers in the UK. It enables charge point operators to work together, with government and other stakeholders to accelerate charging infrastructure roll-out and help make regulations fit for purpose.

^a Group leaders are our most senior leaders. Their roles include operational, functional and regional leadership.

^b Senior leaders are the leadership tier below group leaders. They typically manage larger teams or are recognized as technical or functional experts.

★ See the glossary on [pages 59-61](#)

New memberships in 2023

As we transition to become an integrated energy company, our trade association memberships are changing. The associations we joined in 2023, which have fees of \$50,000 or more per year, are:

- **Business Council, British Chambers of Commerce** – an organization representing large companies in Britain, focused on shaping national debate.
- **G+** – a global organization for the offshore wind industry that drives health and safety performance.
- **H2Accelerate** – a European organization focused on hydrogen use in long-haul, heavy-duty trucking.
- **RenewableUK** – an organization focused on supporting renewable energy deployment across the UK, and access to global markets.

9 Transparency leader

Our aim 9 is to be recognized as an industry leader for the transparency of our reporting.

On 12 February 2020 we declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We intend to work constructively with the TCFD and others – such as the International Sustainability Standards Board (ISSB) – to develop good practices and standards for transparency.

Our progress in 2023

We continued taking steps to promote stakeholders' access to comparable and decision-useful climate-related disclosures.

We have actively participated in the development of carbon and net zero standards and benchmarks. Whether or not we agree with a particular methodology, we welcome the perspectives they can provide.

Alongside some of our peers, we participated in the new Net Zero Standard for Oil & Gas developed by the Institutional Investors Group for Climate Change. And throughout 2023 we responded to various other consultations.

We support work to align global reporting standards and want to play our part in the development of high-quality, reliable and comparable standards that enable companies to prepare and disclose information that is material and decision-useful to stakeholders. In 2023 we continued sharing our views with standard-setters and others who are working on the development of ESG reporting standards across different jurisdictions including the US, Europe and the UK.

We are members of the European Round Table for Industry, which in November 2023 supported the IFRS declaration of support for the ISSB's climate-related reporting, which was announced during Finance Day at COP28. We also expressed our support to the Chair of the International Sustainability Standards Board (ISSB) for the creation of consistent global standards for sustainability and to advocate for interoperability between different standards and appropriate equivalency arrangements between jurisdictions.

 Read more: bp.com/advocacyactivities

TCFD disclosures

Since 2021 we have reported in line with the FCA Listing Rule LR 9.8.6(8), which requires us to report on a 'comply or explain' basis against the TCFD Recommendations and Recommended Disclosures. We consider our 2023 climate-related financial disclosures to be consistent with all the TCFD Recommendations and Recommended Disclosures, and consequently compliant with the Listing Rule.

For the 2023 financial year we also reported in line with the Companies (Strategic Report) Climate-related Financial Disclosure Regulations 2022 (The UK CFD Regulations).

In 2023 we continued to work with the World Business Council for Sustainable Development (WBCSD) in relation to their ongoing 'Climate Scenario Analysis Reference Approach for Companies in the Energy System'. We used the WBCSD Scenario Catalogue to inform our own scenario analysis^a.

Testing the resilience of our strategy

Our strategy is designed to be resilient to a range of climate-related scenarios including those consistent with well-below 2°C and 1.5°C outcomes. In our climate-related financial disclosures in the *bp Annual Report 2023* (pages 55-68), we describe how we have conducted an analysis to test our view of the resilience of our strategy to different climate-related scenarios, using the update on strategic progress presented in February 2023. This includes scenarios that the WBCSD classify to be consistent with well-below 2°C and 1.5°C outcomes^a.

As we explain in our disclosure, while the results of any such analysis must be treated with caution overall, this resilience test again reinforced our confidence in the continued resilience of our strategy to a wide range of ways in which the energy system could evolve throughout this decade, including scenarios consistent with limiting temperature rise to 1.5°C.

 bp.com/TCFD

 Read more about our climate-related financial disclosures in the [bp Annual Report 2023 pages 55-68](#)

CDP

We submit data as part of the CDP climate change questionnaire and make a copy available on our website. In 2023 we received a score of A- (2022 B).

 Read more: bp.com/ourreporting

^a Our 2023 analysis used data from the WBCSD Climate Scenario Catalogue version 2.0, published on 31 March 2023 and downloaded on 1 February 2024, which includes scenarios considered to be consistent with well-below 2°C and 1.5°C outcomes.

10

Clean cities and corporates

Our aim 10 is to provide integrated clean energy and mobility solutions.

Our regions, corporates and solutions team is working to help countries, cities and corporations around the world decarbonize.

We provide integrated multi-energy solutions to help large corporations reduce their carbon emissions – bringing together expertise from across bp and from our partners. Our focus is on working with corporates in sectors that have significant emissions and are not straightforward to decarbonize such as heavy industry and logistics.

Our progress in 2023

We continued to help corporates meet their complex decarbonization needs through our integrated approach, which draws on expertise from across bp.

Integrated energy hubs

In Teesside, UK, we continued advancing our plans to help decarbonize local heavy industries at scale. During the year:

- Two bp-led lower carbon projects, Net Zero Teesside Power and H2Teesside, part of the East Coast Cluster, were chosen to proceed to negotiations for government support. A six-week statutory consultation for H2Teesside was also completed.
- bp and Equinor were awarded a carbon storage licence by the North Sea Transition Authority, which will enable the development of further carbon dioxide storage sites. Together with Equinor we now hold four storage licences on behalf of the Northern Endurance Partnership. There is potential to store up to 23 million tonnes of carbon dioxide a year in the Southern North Sea, by 2035.
- Remediation work on the former Redcar steelworks commenced, with plans to locate Net Zero Teesside Power there.

We launched plans for a low carbon green hydrogen★ cluster called HyVal, at our Castellón refinery in the Valencia region of Spain. Led by bp, this planned public-private collaborative initiative is set to be based around the phased development of electrolysis capacity for producing green hydrogen.

Decarbonizing sectors Industrial emissions

We signed a new memorandum of understanding (MoU) with Chubu Electric Power to explore the feasibility of collecting, aggregating, and transporting carbon dioxide from major emitters in Japan's Nagoya area for storage at the bp-operated Tangguh site in Indonesia. We also signed a MoU with GE Vernova, CARBONCO, PLN Nusantara Power and Jawa 1 in Indonesia to develop a carbon capture, use and storage (CCUS) value chain feasibility study, including the evaluation of carbon dioxide storage opportunities at Tangguh.

Logistics and transport emissions

Given the diversity of the logistics and transport sector, our work involves several different kinds of decarbonization solutions, including electrification, hydrogen, mobility and biofuels.

In the US, we announced plans to invest \$1 billion in EV charging across the country by 2030, to help meet potential demand from Hertz's EV rentals in major cities including San Francisco, Miami, Los Angeles, Houston, Chicago and Washington DC. We also signed a global mobility agreement with Uber to help accelerate their commitment to become a zero-tailpipe emissions mobility platform in the US, Canada and Europe by 2030 and globally by 2040.

In Germany, *bp pulse* has built Europe's first public charging corridor for electric trucks along a major logistics route, the Rhine-Alpine corridor. The installed ultra-fast★ 300kW electric chargers can add up to 200km of range to medium and heavy-duty vehicles in just 45 minutes charging time.

We are aiming to be a leading supplier of sustainable aviation fuel (SAF). In March 2023 we announced our first sale of International Sustainability and Carbon Certification EU SAF from our Castellón refinery in Spain, to LATAM Cargo. In November, Air bp was one of the SAF suppliers for the Virgin Atlantic Flight100 – the first 100% SAF transatlantic flight by a commercial airline. This helped demonstrate that today's aircraft are capable of safely flying using 100% SAF.

 [Read more on our transition growth investment★ on page 23](#)

★ See the glossary on [pages 59-61](#)



Improving people's lives



Early careers employees, Gelsenkirchen refinery, Germany

Our sustainability frame is focused on making tangible improvements to people's lives.

Our aims provide the focus and structure for the actions we take. The following pages unpack the actions we took and the progress we made in 2023.

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2023 progress

We are making progress on our aims to improve people's lives and starting to see impacts in some areas.

12

Collaborating with First Nations people in Australia

bp Australia launched a new Reconciliation Action Plan (RAP), setting out actions over three years to improve outcomes for the country's First Nations peoples. It was developed through collaboration with Aboriginal and Torres Strait Islander employees.

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13

Hiring and training refugees in the UK and Poland

Our initiatives to support refugees are focused on training and employment. In 2023 we hired 60 refugees in our retail business in Poland and we intend to hire 70 and support 250 more across our European operations over the next three years.

page 38

12

Preparing for jobs in low carbon industries

In Teesside, UK we are funding the Teesside Clean Energy Technician Scholarship to help people from diverse backgrounds prepare for employment in low carbon industries. The first cohort started studying in September 2023.

page 35



Redcar and Cleveland College, Teesside UK

13

Supporting sustainable livelihoods in Indonesia

Our contribution to the development of sustainable livelihoods in communities close to our Tangguh LNG facility in Indonesia has been recognized by an independent advisory panel.

page 38



Arguni, West Papua, Indonesia

14

>700

bp and Amoco US retail sites★ are partnering with fuelService, a disability-owned enterprise, to support customers with physical disabilities.

page 40

15

Promoting wellbeing for our employees

All of our eligible employees and their families now have access to an online wellbeing platform at bp.

page 41

14

500+

work placements hosted in several countries, including the UK, India and South Africa as part of our programme focused on social mobility.

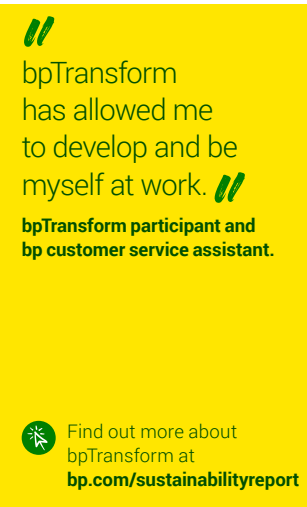
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14

Promoting inclusivity in Spain

Through an innovative employment programme in Spain called bpTransform, we are working with local NGOs to promote understanding of the issues trans and non-binary people face when trying to access job opportunities – with 15 trans people helped to find jobs at bp retail sites and offices in Spain.

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Find out more about bpTransform at bp.com/sustainabilityreport

★ See the glossary on pages 59-61

11

More clean energy

Our aim 11 is to develop enough clean energy to benefit more than 36 million people.

By 2030 we aim to have developed 50GW of renewable generating capacity^a – broadly enough to meet the power needs of 36 million people^b, including exploring ways to make clean energy accessible to those who need it most.

We have set two objectives for this aim:

- 50GW renewable energy equivalent developed to final investment decision (FID)★ by 2030.
- Develop programmes that support access to affordable clean energy.

📖 Read more about our aims and objectives at [bp.com/peopleandplanet](https://www.bp.com/peopleandplanet)

Developing more renewable energy

We have set a target to develop 20GW of renewable energy generating capacity to FID by 2025, with an aim of developing 50GW by 2030. We brought 0.4GW to FID in 2023, increasing the total generating capacity to 6.2GW. Most of this increased capacity comes from our share of projects in our solar businesses, including Lightsource bp.

Our renewables projects pipeline★ at the end of 2023 was 58.3GW, an increase of 21.1GW from 2022. This included 4GW in offshore wind after we were awarded the rights to develop two offshore wind projects in Germany, 5.3GW in solar through increases to Lightsource bp's pipeline, and an increase in dedicated hydrogen renewables (12.4GW).

Access and affordability programmes

Through our social investments and other means, we support projects designed to enable access to affordable, lower carbon energy in local communities.

In Indonesia the need to provide reliable electricity in the communities of Arguni and Taroi near our Tangguh LNG operation prompted us to fully fund off-grid solar and wind electricity generating systems for both. These are expected to generate a peak capacity of up to 42kWp of electricity in Arguni and 12kWp in Taroi. Both generating systems were fully operational by the end of 2023 and are sufficient to provide power for lighting and basic appliances in homes, schools, place of worship, health centres, small businesses and village and district meeting halls. The generating systems will be managed by the village-owned enterprise and will support livelihoods as well as providing access to affordable, lower carbon energy. In 2023 our longer-term work at Tangguh to support workers and local communities was recognized by the Tangguh Independent Advisory Panel.

📖 Read more about our sustainable livelihoods work in Indonesia on [page 38](#)

In 2023 we supported C-Quest Capital's (CQC) project to deploy high-efficiency wood-burning cookstoves to rural households in Angola. By the end of the year, cookstoves had been provided to more than 170,000 households. This is the first cookstove project of its kind to be registered in Angola under the Verified Carbon Standard. The project activities were monitored and verified, following which, the project requested the issue of its first carbon credits.

CQC projects are designed to support several UN Sustainable Development Goals, including improved health, gender equality and affordable and clean energy. The project in Angola is being validated against Verra's Sustainable Development Verified Impact standard to independently quantify and certify its co-benefits.

Our voluntary carbon projects are subject to a risk-based due diligence process that considers potential social and environmental impacts and carbon accounting. See [page 48](#).

📖 Read more about our social investment activities on [page 37](#)

^a The aggregate quantity, net to bp, of renewable generating capacity that has been developed to the point of final investment decision.

^b We estimate that the level of renewable generating capacity we will add is capable of providing enough renewable power to meet the needs of around 36 million people based on a 2019 global average electricity consumption per capita value.

★ See the glossary on [pages 59-61](#)

12

Just transition

Our aim 12 is to support a just energy transition that advances human rights and education.

We support the Paris Agreement, which recognizes the importance of a just transition – one that delivers decent work, quality jobs and supports the livelihoods of local communities.

To support a just energy transition, we aim to collaborate with key stakeholders and other industries to support the advancement of human rights through the transition. We will do this by developing just transition plans in priority areas and helping the workforce to develop skills for the future energy system, taking a socially inclusive approach. We aim to build stronger relationships with local communities, based on mutual trust and respect, and will support civic dialogue, greater transparency and capacity building, where we work.

We have four^a objectives for this aim:

- Enable a just transition for the workforce.
- Decent work.
- Respect and remedy.
- Responsible security.

 Read more about our aims and objectives at [bp.com/peopleandplanet](https://www.bp.com/peopleandplanet)

Enabling a just transition

We support the International Labour Organization Guidelines on Just Transition and believe that respect for human rights and strong environmental and social performance are necessary for a just transition. Our policies and practices reflect this belief. We are collaborating with relevant stakeholders to help advance human rights during the energy transition. This includes supporting civic dialogue, transparency and capacity building in civil society organizations.

Just transition for our workforce

Our approach to enabling a just transition for our own workforce is complemented by our internal processes and practices, including our strategic workforce planning activities, which consider the ways we attract, recruit, develop and reward employees.

Engaging employees for transition

The results from our 2022 'Pulse annual' survey indicated that a significant proportion of employees (13%) were disengaged and intended to leave bp due in large part to lack of training and career progression. In response, we developed training programmes and other initiatives to help prepare employees for the future and the energy transition. The 2023 'Pulse annual' survey showed a seven-point increase in 'employees having access to opportunities to develop their career at bp' and a reduction in the number who were disengaged and intended to leave (11%).

 Read more about employee engagement and development on [page 11](#)

Just transition for local communities

To enable a just transition in local communities we need to engage with them as we develop projects. For example, in Teesside, UK, we are consulting with communities as part of the permitting and environmental and social impact assessment processes for our projects.

As we invest more in our transition growth★ engines we aim to grow our involvement in community regeneration initiatives and find ways to measure their progress.

Scotland

In Scotland, we are supporting several social, economic and skills development projects with our joint venture★ partners, including the proposed Aberdeen Hydrogen Hub – a joint venture with Aberdeen City Council, and the X-Academy training programme, which supports the Morven offshore wind project.


Teesside

In Teesside, UK, we are contributing to the local Skills Improvement Plan and actively participating in several community initiatives designed to help local people from diverse backgrounds prepare for jobs in low carbon industries. These include the Teesside Clean Energy Technician scholarships, with around 40 students expected to be enrolled by the end of 2024.

Australia

In Western Australia, we are working with Creating Communities, an organization focused on community engagement and social impact to drive a just transition. This work will help us understand the needs and aspirations of the communities surrounding our projects and how they hope to benefit from the energy transition.

This knowledge will inform our approach to social investment and engagement in the region.

 Read more about our activities with local communities on [page 37](#)

Collaborating for a just transition

We believe action to advance a just transition is most effective when governments, businesses, workers, local communities and other stakeholders work together. We advocate for governments to play a leading role through the introduction of climate and energy policies that address negative social impacts and maximize social benefits.

 [bp.com/climatepolicypositions](https://www.bp.com/climatepolicypositions)

We are involved in several collaborations to help energy businesses support a just transition:

- Energy for a Just Transition, led by BSR (Business for Social Responsibility) and The B Team – through our participation in 2023, we contributed to the Just Transition Planning Toolkit for Business.
- Our SVP Europe and head of country UK chairs the Business in the Community (BITC) Climate Action Leadership Team, which aims to support businesses to lead a just transition to a net zero economy.
- The Council for Inclusive Capitalism's Just Transition workstream.
- Ipieca's Just Transition Taskforce.


We are participating in industry discussions around skilling for the energy transition. These often have a specific focus on a just transition. We chair the Hydrogen and CCUS Task and Finish Group, a multi-stakeholder body that is shaping recommendations to tackle workforce demand and skilling challenges for the UK government's Green Jobs Action Plan, which is set to be published in 2024.

^a When we launched our aim 12 we included an objective on 'supporting civic dialogue, transparency and building local capacity'. Following a review of aim 12 we have retired this as a separate objective because we consider these activities to be integral to the ways we engage stakeholders and embed sustainability as we work to deliver our sustainability frame.

★ See the glossary on [pages 59-61](#)



We are a founding partner of the BITC Community Climate Fund in the UK, which was created in 2023 and is expected to be up and running in 2024. We have contributed £5 million to the fund, which aims to enable collaboration between businesses, the public sector and communities to deliver local outcomes that can accelerate a just transition. Tees Valley and Bradford will be the first focus areas for the fund.

 [Read more about our partnerships on page 53](#)

Our approach to human rights

Respect for human rights provides the foundation for an inclusive and just transition. It underpins our aims and, through our code of conduct and human rights policy, guides the way we work.

 [bp.com/humanrightspolicy](https://www.bp.com/humanrightspolicy)

Decent work

We believe decent work is fundamental to a just transition and should be underpinned by respect for human rights and labour rights. The prevention of modern slavery is integral to this.

In 2023 we continued developing more effective ways of working with suppliers to identify and address risks to the workforce. We strengthened our evaluation of high-risk tier one suppliers and are on track to meet our target of evaluating them all by the end of 2025. For example, during 2023 we modified our supplier assessment questionnaire to help us identify and address relevant risks earlier in our contracting processes. We are also working to reduce human error by automating the risk categorization of suppliers, which should mean that all relevant suppliers complete pre-contract questionnaires.

★ See the glossary on [pages 59-61](#)

We completed 14 on-site assessments with suppliers in 2023 and we are working with them to remedy identified concerns. We have provided training to help practitioners, senior managers and bp suppliers identify and manage labour rights and modern slavery risks in line with our requirements. We have also engaged with some contractors to help them do likewise.

 [bp.com/modernslavery](https://www.bp.com/modernslavery)

Respect and remedy

In line with our human rights policy, we commission independent third-party assessments of selected sites and business activities, to assess their conformance with our human rights policy. In 2023 these assessments continued with an independent analysis of human rights risks and opportunities at some of our renewables businesses. The next phase of this work, to be completed in early 2024, will comprise more detailed third-party assessments focusing on internal systems, performance and external perceptions.

In 2023 we also acted on recommendations made from third-party human rights assessments completed in 2022, and worked on an update to our human rights risk taxonomy to enhance and clarify how it captures social and human rights risks. This will be published in 2024.

In March 2023 bp Australia launched a new Reconciliation Action Plan (RAP) that sets out 94 actions to improve outcomes for the country's First Nations peoples over three years. This RAP aims to further embed a culture of respect, diversity, equity and inclusion in bp and the communities in Australia where we operate. It was developed through collaboration with Aboriginal and Torres Strait Islander employees, who participated in forums, surveys, and one-to-one discussions with First Nations people representatives on the RAP Committee.

Community engagement for remedy and restoration in Trinidad and Tobago

In Trinidad, we have assessed the potential impact of our a pipeline replacement project on local communities. We first engaged with the local Mayaro community in 2021, in more than 300 engagement sessions.

The feedback we received helped us develop a livelihood restoration plan, through which we provided compensation for temporary economic displacement and other impacts, along with additional social investment. This plan also included a formal grievance process with our contractors to address community issues that arise during construction.

These activities are part of a broader approach adopted by bp Trinidad and Tobago to systematically involve affected stakeholders through consultation, structured community agreements, fair and adequate remedy, benefit sharing and economic compensation.

In 2023 we also advanced our pilot study with Shift, a leading centre of expertise on the UN Guiding Principles, to assess the quality of our community relations in Trinidad and Tobago. Through the pilot, local people and organizations have provided valuable feedback on several topics, including the positive impacts of social programmes and areas for improvement such as enhanced grievance mechanisms. This feedback has allowed us to address some community concerns that we were not previously aware of and it will inform the ways we approach community stakeholders in future.

Community complaints in 2023

Our refineries account for just over half the feedback we received from communities. In 2023 we expanded our central data collection processes to include community feedback received in our operated retail sites★ across Europe, Mexico, Australia and New Zealand, accounting for approximately 20% of the overall feedback we received.

Overall, the total number of complaints received increased in 2023 compared to 2022. The majority of concerns and complaints raised by communities continue to be related to day-to-day nuisance linked to projects and operations, such as odour, noise and dust. In 2023 there was an increase in feedback related to job opportunities and community development, as well as requests for more information.

Responsible security

In 2023 we continued implementing the Voluntary Principles on Security and Human Rights (VPSHR) at bp-operated facilities, to help us identify and address local conflict and security and human rights risks.

We used our improved security risk assessment tool to carry out more than 230 assessments. We identified security and human rights risks at nearly 30 locations and put in place relevant measures to prevent or mitigate them. The security teams at these assets used our VPSHR Implementation Guide to verify security contractors' adherence with VPSHR and bp contract requirements. We have now made this process a standard part of our contractor performance reviews.

Security and human rights risks and how we manage them are also covered in our business risk review processes, which means they are periodically evaluated by relevant leaders.

In addition, we are working to incorporate updated security and human rights clauses into relevant private security contracts.

We have amended our security and human rights impact and risk assessments to cover conflict analysis, using components of the Voluntary Principles Initiative (VPI) guidelines^a. As a result, our central teams can analyze drivers of local conflict and support local teams to understand potential security-related human rights risks and how to address them.

We recognize that human rights defenders, including those representing communities or workers, may be at risk of harassment, intimidation, violence, and harm. In 2023 we took a leadership role in the VPI and supported the development of guidance on respecting the rights of human rights defenders. Through the VPI and together with other organizations, we are helping to address issues relating to civic dialogue, transparency and capacity building. VPI-related activities, including training for security providers at an operational level and awareness building for bp employees, are reported annually to the VPI.

In 2023 we also conducted security and human rights-related training for more than 560 security personnel, including more than 40 public security force representatives, in countries with heightened human rights risks.

 bp.com/humanrights

 Read our latest **Annual Report on the Voluntary Principles on Security and Human Rights**

13

Sustainable livelihoods

Our aim 13 is helping more than one million people build sustainable livelihoods and resilience.

We will support the communities where we work to build greater resilience and more sustainable livelihoods. We will focus our social investment in support of our sustainability aims. Through these actions we aim to reach more than one million people. We will also support our workforce through quality jobs with fair conditions.

We have set three objectives for this aim:

- Strategic social investment in support of sustainability.
- Support livelihoods in the communities where we operate.
- Fair wage and remuneration for our employees.

 Read more about our aims and objectives: bp.com/peopleandplanet

Strategic social investment

In 2020 we set a target to focus 70% of our social investment expenditure on programmes that both progress our aims and support local communities where we work.

In 2023 we took steps towards meeting this objective, including a review of our existing activities to assess their alignment with our aims and their impact. This indicated that we are on track to meet our objective and identified opportunities to go further. As a result, we developed three themes for our sustainable livelihood programmes that integrate our aims and connect with our purpose: building capability for the future; supporting thriving and resilient communities; and partnering with local communities on climate and environmental sustainability.

Supporting livelihoods

The themes we have developed provide a framework for our programmes.

Building capability for the future

In South Africa, our investment in the Energy Mobility Education Trust continues to provide opportunities for young Black South Africans. In 2023 nearly 600 high school learners were supported and more than 150 university students received scholarships to six of South Africa's leading universities. Since we established the Trust in 2014 our funding has supported more than 4,000 young people through STEM education and skills development.


We support a number of other long-running STEM education and career initiatives. For example, in Scotland, we jointly fund Prosper's Young Engineers and Science Clubs, which reached more than 7,000 pupils in 2023. Our collaboration with Children Challenging Industry at the University of York reached more than 600 children at 15 schools.

Supporting thriving and resilient communities

In the US, we fund the ACCEL programme, a partnership of Greentown Labs and Browning the Green Space. It supports founders of companies who are Black, Indigenous or people of colour and whose companies address climate change, promote diversity and advocate for the use of lower carbon technologies in under-served communities. In 2023 the inaugural ACCEL cohort of six start-ups received grant funding, training, and mentorship by industry experts.

Partnering for climate and environmental sustainability

In 2023 we supported the livelihoods of more than 23,000 people in Azerbaijan, Georgia and Türkiye along the route of the Baku-Tbilisi-Cayhan pipeline. Initiatives focused on enhancing the effectiveness of agricultural and animal husbandry practices, tree planting, supplying lower carbon energy, improving infrastructure and community safety, and providing high-quality education.

 Read more about our work to support biodiversity restoration on [page 45](#)

^a The Voluntary Principles Initiative Conflict Analysis Tool for Companies is a resource that helps employees to understand the dynamics of conflict in a particular area of operation, determine our impact on those dynamics, and generate options to mitigate negative impacts.

A long history of supporting livelihoods in Indonesia

There are more than 20,000 people living in the 10 districts near our LNG facility in Tangguh, Indonesia. Our efforts to positively impact neighbouring communities over more than 20 years were recognized in 2023 by the Tangguh Independent Advisory Panel (TIAP), which provides advice on the non-technical and non-commercial aspects of bp's work in the region.

In its final report, published in July 2023, TIAP concluded that our Tangguh facility is on track to meet its commitment of having an 85% Indigenous Papuan workforce at site by 2029 with the percentage currently at 72% – and more than 60% of Papuan technicians working there are women. The report also highlighted our contribution to healthcare, education, infrastructure, and economic development in local Indigenous communities.

We have consistently supported the creation of sustainable livelihoods in these communities by focusing on micro-enterprise, women's economic development, capacity building for local and regional businesses, as well as the creation of agriculture and fishing co-operatives.

Financial support to build resilience

In 2023 we continued to provide wide-ranging support to organizations that help vulnerable people, including those in food or fuel poverty. In the UK we have donated nearly £15 million. Examples of our support include:

- The VSA Fuel Fund, in Aberdeen and north-east Scotland, which provides financial support to individuals and families through cash donations to help around 3,000 people pay their energy bills.
- Our partnership with national youth charity, Onside, enabling over 55,000 young people to attend Youth Zone centres around the UK and access support from dedicated youth workers along with sport, art and leisure facilities, seven days a week.
- Funding to help three municipal social action centres in France support families experiencing fuel poverty with financial assistance.

Supporting humanitarian work

As the war in Ukraine continued in 2023, we extended our funding for the HALO Trust by donating an additional \$4 million to support landmine clearance through the purchase of vehicles, equipment and protective clothing. We made additional donations to regional humanitarian organizations, including the Demjan Foundation and United Way Hungary.

Following the earthquake in Türkiye and Syria in February 2023, we donated \$20 million to international aid organizations to support relief efforts.

In November 2023 we committed \$15 million to charitable organizations that provide humanitarian relief in the Middle East. We are supporting organizations focused on helping people directly affected, including the elderly, children, and other vulnerable groups.

Supporting refugees

In June 2023 as part of the Tent Partnership for Refugees, we made a shared commitment with 41 other companies to provide jobs and training for more than 250,000 refugees in Europe. As part of our contribution, we aim to hire 70 refugees directly and run employability and training events for a further 250 over the next three years, across our European operations.

In 2023 our Polish retail business hired 60 refugees and four took up corporate roles in the UK. A further 75 refugees attended three well-received employability events, for which bp employees contributed more than 450 volunteering hours. We also provided mentoring for 30 refugees through joint programmes with our charity partners.

We made additional contributions totalling £150,000 to refugee charities, including Refuaid, which helps people given refuge in the UK to restart their lives through language tuition, financial and wider employability advice. Our support has directly benefited 40 refugees.

bp Foundation

The bp Foundation, a charitable organization separate from but entirely funded by bp, supports our employees and communities through matched funding and charitable contributions for disaster and humanitarian relief efforts in areas where we operate.

In 2023 the bp Foundation supported disaster and humanitarian relief in Türkiye and Syria, Australia, Libya, Morocco, New Zealand, and the US. The foundation also set up employee double match appeals for donations to five organizations working on humanitarian aid in the Middle East.

Fair wage and remuneration

In the UK, bp is accredited as a Living Wage Employer by the Living Wage Foundation.

We conduct regular reviews across our businesses globally to establish if our employees are being paid fair wages – by which we mean a wage that meets employees' basic needs. These reviews are based on Fair Wage Network benchmark data for a typical-sized family and an average number of workers per family. They also consider factors such as local market conditions. In 2023, as in 2022, we paid all our employees a fair wage based on this approach^a.

We are doing further work to embed the governance and processes required to systematically monitor whether we are paying employees a fair wage.

^a Analysis excluded employees in recently acquired companies.

14

Greater equity

Our aim 14 is greater diversity, equity and inclusion for our workforce and customers, and to increase certified diverse supplier spend to \$650 million for US-related spend^a.

We want our workforce and customers to experience greater equity – fair treatment according to everyone's different needs and situations – while also helping our partners in the 'bp ecosystem' do the same. We will aim to do this by improving workforce diversity and workplace inclusion, making customer experiences more inclusive, and increasing our annual expenditure with certified diverse suppliers, including female and under-represented or minority groups, to \$650 million for US-related spend by 2025.

We have set three objectives for this aim:

- Diverse workforce, inclusive workplace culture and employee experience.
- Inclusive customer experience.
- Multiply diversity, equity and inclusion (DE&I) impact through ecosystem partners and suppliers.

Read more about our aims and objectives: bp.com/peopleandplanet

bp.com/DEI

^a In 2023 we reset our supplier diversity target from \$1 billion by 2025 to \$650m annual spend by 2025. See page 40 for more information.

★ See the glossary on [pages 59-61](#)

Diversity in our workforce

In December 2023 seven of the 11 positions in our leadership team were held by women. We are working to further improve the gender balance across our workforce. By 2025 we aim to have equal numbers of women and men in roles at our top level of leadership (top 120 roles), with 40% of roles at the next leadership level (group leaders) filled by women. Our goal is to have women occupying at least half of all our group leader roles by 2030, with 40% at every other level. In 2023 34% of group leader roles were filled by women (2022 33%).

We also made progress on our ambition to increase minority representation in the UK and the US. At the end of 2023 17% of group and senior leaders in the UK were non-white (2022 14%). This means we have exceeded our 2025 UK ambition of 15% minority representation for senior leaders and above. In the US, at the end of 2023 we had 27% minority representation at group and senior leader level (2022 26%).

In 2023 we maintained our focus on progressing our DE&I ambitions by:

- Embedding our governance processes. For example, we established a DE&I council in the UK, to provide oversight of our DE&I programmes and initiatives.
- Developing our approach to data analytics to drive our progress. Our data on representation in our workforce is refreshed monthly.

2023 highlights

- Delivered Race4Equity training to almost 100% of our most senior leaders (group and senior leaders) and 84% of all other employees – this training is mandatory in the US and UK.
- Expanded our apprenticeships programme globally and we now have 750 apprentices worldwide.
- Continued our 12-month Leadership Inclusion for Talent (LiT) development programme for under-represented minority talent in the US and UK, which was completed by nearly 40 Black heritage employees. Our trading & shipping entity ran a programme for women in leadership and we also made plans for a new intake of Asian heritage employees across bp in 2024.
- Launched a global initiative to encourage employees to voluntarily disclose their identity data – ethnicity, gender identity and sexual orientation – in our HR systems (where legally permissible to do so). By the end of 2023 nearly 40% of in-scope employees had done so. We will use the insights we gain from this data to progress our inclusion journey.
- Committed to provide more than \$4 million to support three historically Black US colleges through our HBCU Fellowship Program, which offers scholarships and energy industry experience.
- Rolled out our social mobility framework for action, with a focus on supporting employees and communities with fewer economic and social opportunities.
- Established a UK programme called 'Get into Retail' with The Prince's Trust to help up to 50 young people find paid work in 2024.
- Increased the number of work experience placements offered, with more than 500 work experience placements hosted worldwide.

Inclusive recruitment in Spain

bp Spain is working to improve understanding of the issues trans and non-binary people can face when they apply for jobs, through the innovative bpTransform programme it runs with support from local NGOs.

To date, 15 trans people have found jobs in bp retail sites★ and offices in Spain with help from bpTransform and more than 300 bp employees have participated in inclusivity awareness-raising sessions.

In 2023 bp Spain was also recognized as the 'most inclusive company' by the Spanish Red Cross.

Our business resource groups

Our 14 employee-run business resource groups (BRGs) help our people feel connected and supported. They also help to drive delivery of our DE&I objectives globally. For example, our Neurodiversity group (part of the Accessibility BRG) has piloted a reverse mentoring programme to help senior leaders understand the challenges that neurodivergent colleagues can face at work and how we can support them.

Our Social Mobility BRG has grown rapidly to more than 1,200 members across 30 countries. In 2023 we established regional chapters in Asia Pacific and the Americas and launched a global mentoring programme for employees. We were also ranked 19th out of 143 in The Social Mobility Foundation's Employer Index (2022 57th).

Our Pride BRG, which launched a new chapter for bp employees in India in 2023, ran a full calendar of awareness-raising activities. In the UK these included a TransAwareness Panel event in partnership with Trans in the City and an initiative that emphasized the value of allyship through

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

promotional videos and a story-sharing campaign. Two members of our EMEA Pride team were recognized for their achievements at the British LGBT awards event.

Using employee sentiment monitoring to improve DE&I

We use our 'Pulse annual' survey and 'Pulse live' survey to monitor employee sentiment across bp. The insights they provide enable us to improve transparency and our understanding of workplace experiences and culture; track changing perceptions of inclusion across different demographics; and make better informed decisions about DE&I. The results of the 2023 'Pulse annual' survey showed a three-point increase in our inclusion index score, at 66% (2022 63%) but this will remain an important focus area in 2024 as we continue working to create a more inclusive environment at bp.

 [bp.com/DEI](https://www.bp.com/DEI)

Inclusive customer experiences

We are tracking retail customer feedback through a survey in 15 countries. It gives us insights to how inclusive our services are and can help us plan improvements for specific communities.

In 2023 we:

- Extended our partnership with fuelService, a certified disability-owned business enterprise, following a pilot in 2022. Consequently, customers in the US with physical disabilities can call or message ahead to arrange assistance at bp retail sites. By the end of 2023 more than 700 bp and Amoco US retail sites were using the fuelService platform, which complements a similar initiative in the UK.

- Started the global roll-out of a new training module to help our front line retail employees support diversity in our customer base. In 2023, more than 3,000 colleagues across regions including Australia, New Zealand, Spain and Poland had completed the training, which will continue in 2024.
- Issued a new DE&I guide that will be used by colleagues in our customers & products marketing and communications teams.

Multiplying DE&I impact with partners and suppliers

Revisions to our aim 14

In 2023 we reset our 2025 diverse supplier spend target from \$1 billion to \$650 million of US-related annual spend with certified diverse suppliers.

When we set this aim in 2020 we knew our targets were ambitious and challenging; and subsequently, several divestments, along with other factors, have had an impact on our diverse suppliers spend.

Nevertheless, we have made progress and in 2023 we reviewed our portfolio of diverse suppliers to identify opportunities to grow our spend with existing suppliers. We also worked to identify new opportunities with current and new suppliers. We know \$650 million a year is a stretching target and we will work across our businesses to deliver against it.

2023 highlights

- We achieved our 2023 objective to double diverse supplier spend from \$185 million in 2020. In 2023 our diverse spend increased to nearly \$470 million.

- In the US, each bp business has committed to develop a plan to increase spend with diverse suppliers, in line with our ambitions. In 2023 this resulted in a 55% increase in spend with diverse suppliers since 2022.
- We integrated supplier diversity more deeply into our procurement processes and systems with the introduction of our 'opportunities dashboard' – a tracker that helps match diverse suppliers with sourcing opportunities.
- We implemented a supplier registration platform that provides access to a pool of around 10,000 certified diverse suppliers.

We aim to increase diverse supplier spend globally. In the UK, in 2023, we ran an internal awareness-building campaign that helped us appoint supplier diversity ambassadors across our businesses. We also strengthened relationships with our diverse suppliers and focused on developing external partnerships with certifying agencies and chambers of commerce. As a result, we increased our spend with diverse suppliers in the UK by 39%.

What we mean by a diverse supplier

We define a certified diverse supplier as a for-profit business that is at least 51% owned, operated, managed and controlled by people with one of the following designations: women's business enterprise, minority business enterprise, LGBT+ business enterprise or disability-owned business enterprise. These designations can differ across regions. For example, in the US we also recognize veteran and service disability-owned businesses. Businesses can be certified as diverse by organizations such as the Women's Business Enterprise National Council, the National Minority Supplier Development Council, the National LGBT Chamber of Commerce, and Disability:IN.

Supporting diverse suppliers' development

We support diverse suppliers to develop skills and build networks that help them compete for targeted business opportunities. We do this through our long-standing relationships with national and regional bodies, as well as our own diverse supplier partnership programme (DSPP).

Since 2020 we have supported nearly 500 women's business enterprises and minority business enterprises. In 2023 our DSPP provided over 100 hours of mentoring and training through our team of volunteer advocates to support its first 10 minority and women-owned businesses.

Enabling a diverse workforce with a women-owned business enterprise

In line with our workforce diversity objective, we awarded a major contract to a contingent workforce supplier in the US. ICON Consultants is a certified women's business enterprise which provides a dedicated pool of contingent workers and payroll services for bp. This contract substantially increased our diverse supplier spend in this area for 2023 and contributed towards our aim 14 target.

15

Enhance Wellbeing

Our aim 15 is to enhance the health and wellbeing of our employees, contractors and local communities.

We will support them to proactively improve their physical and mental health – through innovative programmes, partnerships and offers.

We have set three objectives for this aim:

- Promote proactive measures to improve the health and wellbeing of our workforce and their families.
- Improve awareness and understanding of mental health challenges in the workplace and community.
- Create access to and build awareness of physical and mental health resources in the communities where we work.

 [Read more about our aims and objectives: bp.com/peopleandplanet](https://www.bp.com/peopleandplanet)

Workforce health and wellbeing

Our approach to workforce health and wellbeing is based on employees' needs. It includes the provision of group-wide support, which is now in place through our global wellbeing platform, Thrive@bp, along with more targeted assistance for employees who face specific health and wellbeing issues. To encourage employees to maximize the support available, we actively promote the global, local and issue-specific services on offer.

Our global wellbeing platform

We continued to promote Thrive@bp in 2023 to support our employees and their friends and families by offering free access for up to 10 people. With the implementation of country specific wellbeing platforms for employees in the US and China, we met our 2025 target to provide access for 100% of eligible employees and their families. The targeted enrolment and engagement campaigns we ran to support these platforms led to a 61% increase in enrolment in the first half of 2023.

Our 2023 Thrive Together global physical activity challenge attracted more than 2,500 participants (2022 1,500). As part of this challenge bp employees raised £10,000 for the Disasters Emergency Committee to support people in Türkiye and Syria following the earthquake that affected both countries.

Specific initiatives for employees

We take a risk-based approach when prioritizing employee health challenges and planning health awareness campaigns. Using this approach, we continued strengthening our offer in 2023. For example, in the UK we:

- Created a partnership with the Retail Trust to help our UK retail employees enhance their health and wellbeing by offering them online medical and wellbeing support, financial aid and guidance and children's counselling as well as wellbeing training for over 320 leaders. These services were rolled out to more than 6,700 employees across more than 300 sites.
- Supported Mental Health Awareness Week. The focus for 2023 was anxiety and volunteers from our Mental Wellbeing Network ran 30 awareness-raising events in nine bp offices.
- Rolled out two global menopause e-learning modules – one for all employees and one specifically for line managers. We also offer conversation cafes, webinars and other support for affected employees. In the UK, bp is accredited a 'menopause friendly' employer by the Menopause Friendly Accreditation organization, demonstrating our commitment to and actions in support of employee wellbeing.

Measuring our impact

We include an employee wellbeing index in our 'Pulse annual' survey and weekly 'Pulse live' survey. Results from the 2023 'Pulse annual' survey showed that employee wellbeing increased by four points to 72% (2022 68%). This score was supported by a corresponding five-point increase in employees who feel supported to manage their personal and work life (74% compared to 69% in 2022).

Mental health

In 2023 we updated our mental health training programmes, which are designed to build awareness and employees' ability to care for themselves and others. We also devised a mental health training programme specifically targeted at group leaders. The roll-out of this training supports our 2025 target to train 100% of leaders on key mental health challenges.

Through our partnership with MindForward Alliance, bp regional leaders participated in mental health roundtable discussions about the action businesses are taking to destigmatize mental health challenges. We also sustained our support for the Global Business Collaboration for Better Workplace Mental Health.

bp employees, and up to five family members or friends, have free access to the third-party Headspace app, which offers services to support mental health and wellbeing. In 2023 around 9,000 bp employees and over 1,000 family members used the app.

Community health and wellbeing

We have developed a plan to identify health and wellbeing issues in communities where we work, and a prioritization approach that supports our focus for the development of community health programmes in key regions and countries.

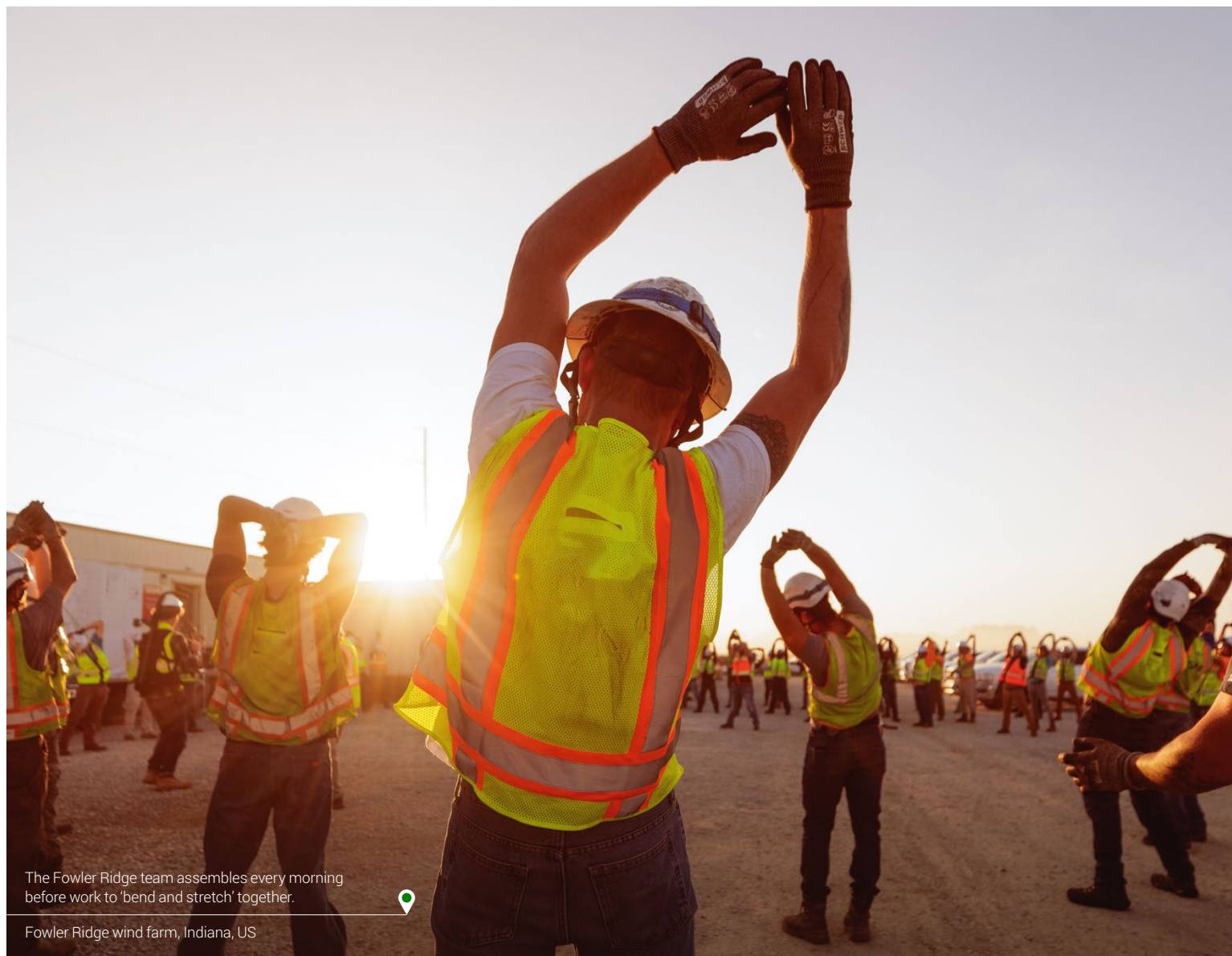
In India, *Castrol* is running health and wellness initiatives for truck drivers and mechanics. One initiative which is focused on vision care, provides free eyesight checks and has distributed more than 8,000 pairs of glasses. Another is a healthy lifestyle programme that provides health screening and health awareness sessions, including some that cover mental health. More than 3,000 mechanics benefited from this programme in 2023.

We have a community health programme in place in Mauritania and Senegal. We set it up in 2022 and provided medical clinics, medicines and equipment. In 2023 we completed a health impact assessment. As part of this process, we engaged local stakeholders and developed plans for community health programmes that are set to start in 2024.

Partnerships for public health

In 2023 we built on our earlier work with Georgetown University, US, to identify opportunities to build partnerships to support mental health and wellbeing. These included:

- An academic partnership with John Hopkins Bloomberg School of Public Health to study the impact of one of our ongoing health and wellbeing initiatives called WELL, with the first results of this study expected in 2024. The learnings from this study are expected to inform scientific literature on community health and wellbeing.
- A collaboration between our regional US health team in Houston and the Greater Houston Partnership, to identify knowledge and resource gaps related to mental health in local businesses.



The Fowler Ridge team assembles every morning before work to 'bend and stretch' together.

Fowler Ridge wind farm, Indiana, US

Caring for our planet

We want to make a positive difference to the environment in which we operate.

Our aims provide the focus and structure for the actions we take to care for our planet. The following pages explain the actions we took and the progress we made in 2023.

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Fowler Ridge wind farm, Indiana, US

2023 progress

We are making progress on our aims to care for our planet and we are starting to see impacts in some areas.

16

Putting our net positive impact (NPI) methodology into action

We are applying our NPI biodiversity methodology on new, in scope bp projects. These include the Northern Endurance Partnership Development in the UK and the Ubidari carbon capture project in Indonesia.

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Teesside brownfield site, Teesside, UK

“ We are working on a five-year project with the Institute of Marine Affairs exploring restoration methods to rehabilitate coral reefs and sea grasses essential to Tobago’s marine biodiversity and economy. ”

Head of C&EA, bp Trinidad and Tobago.

 Find out more about project MARIN on our website at bp.com/sustainabilityreport

19

>1 million

reduced-cost bags of food sold in Germany and around **54,000** meals delivered to local communities in Australia – helping to avoid the environmental costs of food waste.

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19

New focus areas for circularity published

These focus on improving our waste management and integrating circularity into our transition growth★ engines.

 [page 49](#)

20

New sustainable purchasing position published in 2023

It sets out focus areas to help us engage suppliers to promote a more sustainable supply chain.

 [page 51](#)

17

Water assessments to improve efficiency

We conducted assessments at four refineries, which account for around 51% of our water consumption, to help identify areas where we can create efficiencies in water consumption.

 [page 46](#)

18

Restoring wetlands in the US

In Montana, US, one of our subsidiaries has worked to improve biodiversity on remediation projects at former copper smelting sites, including wetland restoration, reforestation, and the creation of new wildlife management areas.

 [page 48](#)

17

Support for water replenishment projects in Azerbaijan

We are backing three new projects in Azerbaijan to help improve water supply and irrigation of arable land, provide safe drinking water, and improve community sanitation. These projects include the restoration of traditional sustainable water supply systems.

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Opportunity Ponds, Montana, US

★ See the glossary on [pages 59-61](#)

16

Enhancing biodiversity

Our aim 16 is making a positive impact through our actions to restore, maintain and enhance biodiversity where we work.

We will do this by putting our biodiversity position into action. In doing so, we expect that from 2022 all new bp projects in scope will have plans in place aiming to achieve net positive impact (NPI), with a target to deliver 90% of actions within five years of project approval. We also aim to enhance biodiversity at our major operating sites and support biodiversity restoration and sustainable use of natural resource projects in the countries where we have current or growing investments. We will also continue to work with others, including our joint ventures★, to influence and promote collective action on biodiversity.

We have set three objectives for this aim:

- bp projects – aim to achieve a net positive impact.
- bp operations – aim to enhance biodiversity.
- bp countries – support biodiversity restoration and the sustainable use of natural resources.

🌿 Read more about our aims and objectives: bp.com/peopleandplanet

🌿 bp.com/biodiversityposition

★ See the glossary on [pages 59-61](#)

Net positive impact in our projects

We are applying our NPI biodiversity methodology on new, in scope bp projects, such as the Northern Endurance Partnership Development in the UK and the Ubidari carbon capture project in Indonesia. To support delivery of our NPI objective we are working to build capability and understanding of the methodology across our project teams. We have also provided them with relevant training, coaching and expert advice.

Biodiversity enhancement in our operations

As well as incorporating our NPI biodiversity methodology into bp practices for our new projects, we aim to identify opportunities to enhance biodiversity at our existing operating sites. We have prioritized the development of biodiversity enhancement plans. In 2023 we focused on two of the five operations in biodiversity sensitive areas and the other three will be our focus for 2024 and 2025. Both Cherry Point refinery in the US and our operations in the Azerbaijan-Georgia-Türkiye (AGT) region made progress by identifying and implementing biodiversity enhancement activities in and around their operations. In AGT, we ran a workshop with local NGOs, regulatory bodies and local scientists to identify and discuss ideas to take forward.

We are trialling the use of new technologies to monitor biodiversity. In 2023 we continued development work on the Terrestrial Digital Biodiversity Observatory established at Cherry Point in 2022, where we plan to explore the potential of digital technologies to monitor biodiversity on manmade wetlands on the bp site.

We have introduced smaller-scale biodiversity enhancements around some of our offices in the UK. At our Pangbourne and Sunbury sites, we have installed bat and bird nest boxes, beehives, log piles and hedgerows to support natural habitats.

🌿 Read more about the location of our major operating sites in relation to protected areas and key biodiversity areas: bp.com/protectedareas

Biodiversity restoration

In 2023 we continued to support biodiversity restoration in countries where we have a presence, including funding for two new projects:

- Zangilan forest restoration in Azerbaijan, with a plan to restore more than 70ha of forest by planting native oriental plane trees and other indigenous tree species.
- A project led by the Tees Rivers Trust in the UK, to restore intertidal habitats, re-establish seagrass meadows and reintroduce native oysters to the Tees Rivers.

We are also supporting a rewilding feasibility study in Georgia to assess the viability of reintroducing red deer to help restore degraded forests in the Tbilisi National Park. This will also contribute to national plans to improve the conservation of the deer.

These new projects build on our existing biodiversity restoration projects, which include the restoration of seagrass and coral reefs in Tobago – project MARIN, enhancing forest and maquis ecosystems in Türkiye, and helping to restore forest biodiversity in the Ajameti Managed Reserve, Georgia.

🌿 Find out more about our project to restore coral reefs in Trinidad and Tobago: bp.com/sustainabilityreport

International policy and external engagement

Since the launch of the Kunming-Montreal Global Biodiversity Framework in December 2022, we have been assessing its implications for bp. As a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, we have also reviewed its framework and provided feedback. This has fed into our work to prepare for future nature-related disclosure requirements and evolve our approach to managing impacts, nature-related risks, and dependencies on natural resources.

In 2023 we supported and contributed to several cross-industry groups – to learn from others and to promote the need for collective action:

- We supported Ipieca's Biodiversity & Ecosystem Services Working Group and the UNEP-WCMC Proteus Partnership.
- We sponsored the UK Business & Biodiversity Forum, which together with the International Chamber of Commerce UK and the Institute of Environmental Management and Assessment, supports businesses in integrating biodiversity into their activities.
- We supported and engaged with the World Business Council for Sustainable Development (WBCSD) Nature Positive working group.

17

Water positive

Our aim 17 is becoming water positive by 2035.

We aim to replenish more fresh water than we consume in our operations. We will do this by being more efficient in operational fresh water use and effluent management, and by collaborating with others to replenish fresh water in stressed and scarce catchment areas where we operate.

We have set two objectives for this aim:

- Improved efficiency of operational freshwater use and effluent management.
- Collaboration on the most impactful opportunities to replenish water in stressed and scarce catchments where we operate.

 Read more about our aims and objectives: [bp.com/peopleandplanet](https://www.bp.com/peopleandplanet)

Our progress in 2023

To understand our water-related challenges, we review the water impacts, risks and opportunities at our major operating sites. These reviews consider the quantity and quality of water used as well as any applicable regulatory requirements.

In 2022 we reviewed the internal standards, practices and guidance that underpin our water activities. Based on this review, we updated them in 2023 to align them with our sustainability frame. We track and monitor evolving external water frameworks so that we can continue to refine our water stewardship practices as these frameworks develop.

Our water consumption in 2023

We saw a 29% fall in freshwater withdrawals and a 15% fall in freshwater consumption, compared with our 2020 baseline^a. Reductions in 2023 were largely due to the divestment of Toledo Refinery, however other changes were attributable to the reconfiguration of Kwinana refinery, turnaround activity at Castellón refinery and use of non-freshwater sources in bpx energy Eagle Ford. This was partially offset by increases in consumption at Cherry Point owing to the introduction of the new hydrocracker and cooling water infrastructure projects and an increase in drilling and completions activity at some of our bpx energy operations.

We actively manage our freshwater demands in areas of stress and scarcity. Taking into account analysis that utilized the World Resources Institute (WRI) Aqueduct Global Water Risk Atlas, in 2023 eight of our 17 major operating sites were located in regions with medium to extremely high water stress (2022 five). Based on anticipated changes in the areas WRI identifies as water stressed, this number is expected to remain largely unchanged by 2030, assuming a business as-usual scenario with no portfolio changes.

At major operating sites, 73% of our total freshwater withdrawals and 36% of freshwater consumption were from regions with high or extremely high water stress in 2023. This is a significant increase from 2022 (0.1% and 0.6% respectively) and is due to an update to WRI's Aqueduct™ 4.0 in 2023 which changed the distribution of water stressed areas. As a result, three of our refineries are located in regions that are now considered to have higher water stress.

Our wastewater treatment concentrations decreased slightly owing to lower discharge volumes at the refineries. The average chemical oxygen demand concentration of the treated water discharged from bp-operated treatment facilities to the freshwater environment was 40mg/l.

 [bp.com/ESGdata](https://www.bp.com/ESGdata)

Improving water efficiency

In 2023 we continued detailed, site-based water assessments at four refineries – Rotterdam in the Netherlands, Lingen in Germany and Cherry Point and Whiting in the US – representing approximately 51% of our total consumption in 2023. Our assessments help identify areas where we can create operational efficiencies in water consumption.

At our Lingen refinery, a water recycling project went into operation. A new water treatment system recycles wastewater from the refinery and reuses it for industrial processes. The volume of treated water is equivalent to approximately 500,000m³ per annum of fresh water saved.

At our bpx energy facilities in the US, produced water is used instead of fresh water to commission operations at some of the wells. The volume of produced water used is equivalent to 6,000m³ per annum of fresh water saved. At Eagle Ford Shale,

we have used brackish water rather than fresh water in our commissioning operations. A total volume of over 470,000m³ of brackish water was utilized in 2023.

Tackling water leaks in Australia and New Zealand

Our mobility & convenience business in Australia and New Zealand has a large, distributed retail network, with around 500 bp operated sites.

During 2022 significant water leaks were identified at two sites in New Zealand (Upper Hutt and Waiwhetu). Together, these resulted in the loss of over 36 million litres of potable water at a cost of NZ\$85,000 to the bp business.

Having repaired these leaks, we wanted to establish a more systematic approach to identifying elevated water usage across our distributed assets.

We undertook a detailed assessment of assets and created a new database tool to capture information and generate expected usage baselines and tolerances for each site.

A leak detection programme was rolled out in 2023 and the frequency of site checks was increased to once every quarter to reduce the risk of persistent unmonitored leaks.

This contributed to a 25% decrease in monthly network water use in New Zealand from January to September 2023 and an associated 28% reduction in invoiced spend. In 2024 further roll-out of the programme is planned in New Zealand and Australia.


^a The baseline freshwater consumption is defined as 55.9 million m³/yr.

Water replenishment collaboration

We aim to work with others to replenish water, focusing on catchments where we can achieve the biggest impact. We are measuring the impact of any collaborations by utilizing volumetric water benefits, as defined by the Water Resources Institute.

In 2023 we developed and implemented a plan to deliver catchment collaboration projects that could help us achieve our 20% target by 2025. We also signed up to support three catchment collaboration projects in Azerbaijan:

- A project with the Regional Development Public Union to supply water to irrigate 83ha of arable land at the Goychay Base Station of the Scientific Research Institute of Fruit and Tea Cultivation and in surrounding communities.
- A project run by the Social Development Public Union to establish a community-run model for the provision of safe drinking water, irrigation and sanitation systems in communities in the Central Aran and Ganja-Dashkasan regions.
- A project to revive the use of a traditional water abstraction system that involves training local people in the Tovuz region, as detailed in the adjacent case study.

We continued our work to improve clean water supply in Mauritania. Through our Greater Tortue Ahmeyim joint venture , we are funding the expansion of the N'Diago water supply project located along the Senegal river. This expansion is expected to increase access to safe drinking water – for example, through the installation of solar-powered water distribution systems – for a further 455 households, bringing the total number of people supported to approximately 6,000.

★ See the glossary on [pages 59-61](#)

Restoring traditional water supply systems

In Azerbaijan, one of the most ancient but sustainable means of water abstraction is a kahriz – an underground network of gently sloping horizontal subterranean canals with interconnected wells, which delivers water through a passive collection system.

Kahrizes have been a key feature in arid and semi-arid environments since antiquity. However, they have gradually been replaced by alternative means of abstraction and consequently fallen into disrepair. In addition, the skills required to design, build and maintain them have almost disappeared.

To help address this, we have signed an agreement with an external consultancy to carry out the refurbishment of two kahrizes in the Tovuz region of Azerbaijan while simultaneously providing training for local people to learn the skills needed to maintain them and possibly design and build more in the future.



Solar-powered water distribution system, N'Diago commune, Mauritania

18

Championing nature-based solutions

Our aim 18 is championing nature-based solutions and enabling certified natural climate solutions.

We aim to use nature-based solutions (NbS) to deliver value and contribute to our people and planet aims in our operations and through our business activities. We will also support the development of scalable markets for certified natural climate solutions that help the world reduce deforestation, get to net zero★ and deliver environmental and social benefits.

We have set two objectives for this aim:

- Use nature-based solutions to deliver value and contribute to our people and planet aims.
- Enable emissions reductions through investments in certified natural climate solutions (NCS).

Read more about our aims and objectives: bp.com/peopleandplanet

Nature-based solutions

Nature-based solutions (NbS) are increasingly being used to address societal challenges, such as water management, coastal erosion and the impact of adverse weather events. They also provide ecological, social, and economic co-benefits, including natural climate solutions that reduce or remove greenhouse gas emissions through nature conservation, restoration or improved land management.

In 2023 we worked on finalizing our NbS action plan, which focuses on ways of embedding nature into our engineering designs for new projects and existing operations.

We are currently focused on raising awareness and improving understanding of NbS and its potential applications and on identifying where we can embed it into our engineering practices, supported by technical guidance and tools.

Nature-based solutions in action

Some of our subsidiaries in the US have worked to improve biodiversity at several environmental remediation and restoration sites.

Near a former copper smelter in Montana, one subsidiary has restored hundreds of acres of functional wetlands and created a biodiverse wildlife habitat where moose, elk, deer and other wildlife now graze across the 3,500-acre Dutchman estate.

At Warm Spring Ponds, Montana, an environmental remediation site is managed to provide over 1,300 acres of wildlife habitat that supports a large rainbow trout population and attracts thousands of migratory waterfowl that stop at the ponds.

At both of these Wildlife Habitat Council Gold Certified sites, our subsidiary has employed novel monitoring technologies such as drones and remote sensing to track species diversity, abundance, and migration patterns.

Natural climate solutions

We support the scaling up of high-integrity NCS, which can contribute to climate change mitigation and generate environmental and social benefits. We believe that climate finance channelled through the voluntary carbon market can play an important role in accelerating the energy transition and meeting the goals of the Paris Agreement. It can also help to preserve and enhance biodiversity and provide economic benefits for local communities.

Our approach

We support a well-designed, high-integrity voluntary carbon market that builds on advances in technologies and methodologies, as well as new forms of governance, to maintain and enhance its credibility.

We support the Core Carbon Principles set out by the Integrity Council for the Voluntary Carbon Market and believe our own due diligence approach can build on and complement its requirements.

In 2023 we expanded the centre of excellence (CoE) in our low carbon trading business. The CoE comprises a team of subject matter experts responsible for the screening and due diligence of carbon credit projects as well as the ongoing monitoring and management of our carbon credit portfolio.

Our portfolio

We continued to build our portfolio of NCS voluntary carbon projects in 2023. For example, in Zambia, we entered into an agreement with BioCarbon Partners to support the Kafue-Zambezi Community REDD+ (Reducing Emissions from Deforestation and forest Degradation) project. The conservation efforts in this project are community-led and they aim to benefit up to 400,000 people in 40 chiefdoms. The project, which targets the conservation of a significant part of the Kavango-Zambezi wildlife corridor, anchored by the Kafue National Park, will be developed using the 2023 Verified Carbon Standard consolidated methodology for reducing emissions from deforestation and forest degradation to quantify emissions reductions.

★ See the glossary on [pages 59-61](#)

External engagement

We engaged externally to support the growth of the carbon market in 2023. For example, we responded to the EU's open consultation on the development of the EU 2040 Climate Target – expressing our support for a dedicated target for carbon removals and highlighting the importance of including nature-based removals, which can play an important role in meeting the EU's climate ambitions.

In addition, we contributed to the development of a paper, 'The Evolving Voluntary Carbon Market', through the International Emissions Trading Association's voluntary carbon market working group, to promote the role that the voluntary carbon market plays in channelling finance to decarbonization efforts and setting out the actions required to continue this positive flow of finance.

We currently participate in several other NCS and voluntary carbon market-related trade associations:

- Oil and Gas Climate Initiative NCS working group
- WBCSD carbon removals, NCS and climate working groups
- Natural Climate Solutions Alliance
- CCS+ Initiative

19

Unlock circularity

Our aim 19 is to unlock new sources of value through circularity.

We want to keep materials in use for longer and value them throughout their lifecycle. We will do this by using resources responsibly and embracing circular principles in design, operations and decommissioning and aim to work with partners and our joint ventures★ to create opportunities.

We have one objective for this aim:

- To increase the circularity of our existing operations and products and identify circularity opportunities in new projects and businesses.

In 2023 we also agreed new focus areas to unlock circularity and these will help guide our efforts from 2024.

 Read more about our aims and objectives: bp.com/peopleandplanet

a Recycling & recovery rate calculated as: (quantity of waste (or exempted waste) sent for recycling or recovery)/(total quantity of waste managed). Excludes Drilling, Completion, Wells and Intervention (DCWI) chemicals, fluids and drill cuttings discarded from our DCWI operations as well as waste from remediation sites.

b Where we are not the controlling entity (e.g. joint ventures (JV)) we will aim to influence the JV to pursue similar aims.

c Refers to recovery or recycling options that are commercially and technically available and feasible.

d Applies to projects in which bp is the controlling entity, with capex >\$250m (off-shore wind) or >\$50m (on-shore wind).

e >5% in one key component, for >50% of those components within the operating boundary; includes reuse of components.

★ See the glossary on [pages 59-61](#)

Increasing circularity across bp

Our internal framework for circularity uses and adapts definitions from the Ellen MacArthur Foundation. It focuses on three principles of circularity: eliminate waste and pollution; circulate products and materials; and regenerate nature. We believe it can help to clarify circularity principles and set out practical actions that our businesses can take to support this aim.

Our circularity focus areas

In 2023 we identified new focus areas for our circularity work. These are:

- Map resource inflows identified as being most significant to bp's circularity agenda.
- Improve the waste recycling and recovery rate from our operated sites (excludes DCWI and remediation waste)^a from our 2022 baseline rate of 44%.

As we grow our transition growth★ engines, we will work to incorporate circularity:

- We aim to further integrate circular economy considerations into the strategic approach of certain businesses including Hydrogen and EV charging.
- Our wind business aims to^b:
 - send zero blades to landfill, where options are available and feasible^{c, d},
 - recycle or recover 90% of permanent magnets and waste from operated sites^d,
 - include secondary material^{d, e},
 - support the use of product passports through industry associations and our supply chain partners.

Our actions in 2023

In addition to the development of our new focus areas and implementation of our new waste data collection methodology, we also focused on embedding our circularity framework and building momentum in our businesses.

For example, we included our circularity framework as guidance in our Operating Management System★ and highlighted circularity as an important topic for operations to consider when planning new projects.

In our *Castrol* business:

- We have started introducing re-refined base oils into some of our product formulations. We proved the potential for circularity when we used *Castrol ON* re-refined electric vehicle transmission oil in Jaguar Racing Team's all-electric race cars at the 2023 Monaco E-Prix.
- *Castrol* is rolling out a new bottle range in Europe that uses less plastic overall. For example, the five-litre bottle uses up to 20% less plastic by weight compared to the previous packaging.
- Our high-density polyethylene bottles in India now include 30% post-consumer recycled content.

In our convenience business:

- We are reducing food waste in Europe and the UK through our partnership with Too Good To Go, with our one millionth Too Good To Go magic bag of food sold in Germany. In 2023 we have diverted more than one million kilograms of surplus food from waste.
- In Australia, together with OzHarvest, we avoided food waste and supported local communities by delivering around 54,000 meals to those in need instead of disposing of the food.

- In Germany, our CarCare product range now uses up to 75% less packaging than previously and in Poland all CarCare packaging is made of 50% recycled material.
- In several countries across Europe we have introduced price discounts for customers who bring their own coffee cups to our retail sites★.

We are making progress towards our target for all bp own-brand food packaging in Europe to be reusable, recyclable or biodegradable by 2025. For example, we are now offering reusable cups and bowls across Germany through a deposit system called Recup and Rebowl.

Circularity in action at Fowler Ridge

In our onshore wind business we demonstrated circularity in action during a major technology upgrade, at Fowler Ridge 1 wind farm in the US. The blades and nacelles, which house power generation equipment and transformers at the top of the wind towers, were replaced on 40 turbines, which are consequently expected to generate up to 40% more energy from the same wind resource.

The decommissioned blades will be shredded and blended with raw materials to make cement products, diverting up to around 1.5kt of material from landfill. In line with our new endeavour to send zero blades to landfill, the business anticipates sending all metal resulting from future repower projects to a disposal yard to be repurposed or recycled.

Waste streams

Building on our work in 2022, including the introduction of a new methodology to collect waste data, in 2023 we identified opportunities to improve circularity across our operated sites. Our focus was on improving our recycling and recovery rate, in line with our new waste-related focus area.

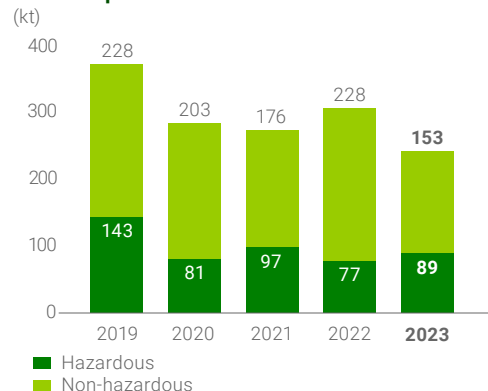
We plan to prioritize the opportunities we have identified from our new waste data methodology and develop targeted plans to address them. We will do this by applying the waste hierarchy and considering options for waste avoidance, waste reduction and diversion to recycling and recovery.

A good example of turning waste into resources for use elsewhere is from our Cherry Point refinery, where we took steps to recover and reuse a variety of materials including concrete which was crushed to use as road bedding, asphalt reused for road surface paving and sand which can be used in construction and to improve drainage. In total approximately 42kt of materials were kept in use on site instead of being disposed.

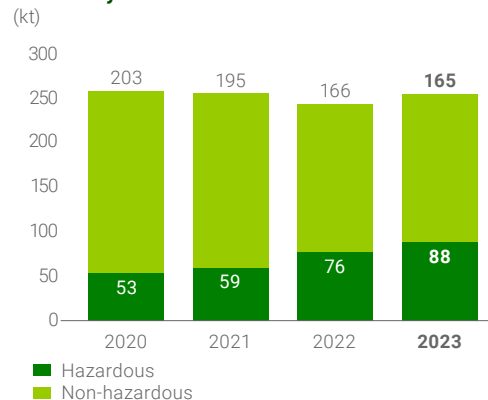
Waste data for 2023

We disposed of around 240kt of hazardous and non-hazardous waste in 2023, a 21% decrease from 2022 (2022 305kt) and we recycled or recovered around 250kt of waste, a 4% increase from 2022. Our recycling and recovery rate^a was 51%.

Waste disposed



Waste recycled or recovered



^a Recycling & recovery rate calculated as: (quantity of waste (or exempted waste) sent for recycling or recovery)/(total quantity of waste managed). Excludes Drilling, Completion, Wells and Intervention (DCWI) chemicals, fluids and drill cuttings discarded from our DCWI operations as well as waste from remediation sites.

★ See the glossary on [pages 59-61](#)

20

Sustainable purchasing

Our aim 20 is developing a more sustainable supply chain.

We will work with our key suppliers to embed sustainable practices, focusing on reducing greenhouse gas emissions and increasing the circularity of what we buy.

We had one objective for this aim:

- To define our sustainable procurement policy and set long-term aims by 2023.

We responded to this objective by developing and publishing a sustainable purchasing position in November 2023.

- Read more about our aims and objectives: bp.com/peopleandplanet

Sustainable purchasing position

bp Procurement's *Sustainable Purchasing Position* sets out focus areas for current and future suppliers, so we can engage them productively and progress together towards a more sustainable supply chain.

The position comprises two parts: our objectives across decarbonization, social sustainability and environmental sustainability – aligning with our net zero, people and planet aims; and our core principles for achieving our objectives, including prioritization, collaboration, industry action, and capability building.

The position also highlights areas where we may require suppliers to share more detailed information or demonstrate progress in future. In 2023 we also updated *bp's expectations of its suppliers*, to reflect both an update to our code of conduct in 2022 and the *Sustainable Purchasing Position*.

• bp.com/sustainablepurchasing

• bp.com/supplierexpectations

Supporting our sustainability aims

Aim 20 reflects the three areas of our sustainability frame across our supply chain and is closely linked with our other aims. For example, our procurement activities support the delivery of aim 19 – unlock circularity and aim 1 – net zero operations★, because we source goods and services that support efforts towards our operational decarbonization. In addition, our ongoing work on human rights, labour rights and diversity in our supply chain contributes to our aim 12 – just transition (see [pages 35-37](#)) and our aim 14 – greater equity (see [pages 39-40](#)).

In 2023 our procurement teams continued to drive progress in support of our aims. For example:

- **Net zero** – Our logistics category team successfully introduced electric vehicles into the last-mile fleet in Bangalore, India and are now planning to roll out across multiple locations in India for our *Castrol* business.
- **People** – We partnered with a supplier to support employability for local people in Oman with 30 graduates completing a one-year professional training programme designed to help them compete in the local employment market.
- **Planet** – We worked with a supplier to embrace circularity by diverting decommissioned office materials from landfill at one of our US locations and repurposing nearly all of them.

★ See the glossary on [pages 59-61](#)

Engaging stakeholders

Engaging constructively with our stakeholders helps us deliver our strategy and sustainability aims. We engage with them in various ways, from local meetings to global partnerships.

In this section

Engaging with our stakeholders in 2023 53

Decarbonizing the future of aviation: Our senior asset director from Air bp discusses the potential to scale up sustainable aviation fuel during a keynote panel event at Dubai Airshow.



Dubai Airshow, Dubai, UAE

Engaging with our stakeholders in 2023

Our main stakeholder groups are employees, customers, investors and shareholders, government and regulators, partners and suppliers, and society.

Employees

87,800^a

employees worldwide

Our employees play a critical role in maintaining safe, reliable and compliant operations. They also implement our purpose and strategy. We celebrate their contributions and are committed to engaging them in the opportunities and challenges we face using a variety of tools and channels, including webcasts and our intranet.

Reinventing Leadership – We began to roll out Reinventing Leadership, a programme that offers leadership development opportunities for employees at every level. By the end of 2023 more than 3,000 employees across all bp businesses and regions had participated in one of the five Reinventing Leadership offers available.

Employee communications – We launched an internal podcast called 'Who we are: Stories of our people'. It highlights the work our employees are doing to advance our purpose and aims. To support our aim 15, for employee wellbeing we also created a dedicated internal social media channel to facilitate conversations on relevant topics such as cancer awareness and mental health.

 [Read more about developing our people and employee sentiment on **page 11**](#)

^a This figure reflects new acquisitions including TravelCenters of America.

★ See the glossary on [pages 59-61](#)

Government and regulators


\$11.9bn

corporate income and production tax paid

We engage with supranational organizations like the EU, national and local governments and regulators to build constructive relationships and to support the development of national energy projects. We also co-operate with governments, regulators and legislators on the development of policies that promote a secure, affordable and lower carbon energy system – enabling us to deliver our strategy and embed sustainability across bp.

Boosting Indonesia's energy supply – In 2023 we began the Tangguh Expansion Project, following close engagement with the Indonesian government to finalize the terms of a 20-year extension to the Tangguh production sharing agreement. Once the expansion project is fully operational, Tangguh is expected to provide about 35% of Indonesia's gas production.

UK skills and workforce development – Our EVP people & culture spoke on a panel at Skills for Growth 2023, a conference hosted jointly by the UK government Department for Education (DfE) and Department for Business & Trade and our SVP Europe and UK head of country spoke on a green skills panel at the DfE and Times Higher Education Green Skills Conference.

 [Read more about our advocacy work on **page 28**](#)

Customers

>12m

customer touchpoints★

Engaging with customers helps us understand how we can add value for them. Our engagement with end-consumers, through our convenience & mobility and retail businesses, ranges from focus on product preferences to diversity and accessibility considerations. Increasingly, we work with commercial customers to help them achieve their sustainability goals and progress towards the decarbonization of industry sectors.

Training truckers in India – *Castrol* India, in partnership with TV9 news network, launched 'Pragati ki Paathshaala' (School of Progress), creating two classrooms on wheels to train truck drivers on driving safety, maintenance, and business management. The programme aims to reach 10,000 independent truck owners, with more than 4,500 reached in the first month.

Addressing human trafficking – In the US, we support the Convenience Stores Against Trafficking campaign run by the non-profit organization, In our Backyard. Retail employees have been trained to recognize the signs of human trafficking and are running awareness-raising campaigns in bp and *Amoco* stores. TravelCenters of America also supports Truckers Against Trafficking, displaying posters in guest-facing areas and, in 2023, partnering on the Freedom Drivers Project, an educational mobile exhibit to raise awareness of domestic sex trafficking.

Local communities

\$117m

social investment spend

We aim to work in ways that benefit local communities and help us build respectful, transparent relationships with them.

Our community engagement ranges from one-to-one conversations conducted by dedicated community liaison officers to large public consultations. In addition, we provide information about our activities and invite people to share their feedback through accessible channels, including confidential speak up mechanisms.

Community outreach in the Mid-West, US

– We conducted community engagement events across six Indiana counties, to address stakeholder concerns, provide information on our proposed carbon capture and storage project, and build understanding among local landowners and communities. Through 17 local events we reached 1,200 stakeholders and held constructive discussions about their concerns.

Empowering communities in Mauritania and Senegal

– bp and our joint venture★ partners in the Greater Tortue Ahmeyim (GTA) project developed the Community Livelihood Enhancement (CLE) programme, which is designed to benefit the local communities of Saint-Louis and N'Diogo. Following stakeholder consultations, several community development committees were established to support the CLE governance process and act together with the GTA project as a new impetus for inclusive community development.

 [Read more about our community engagement on page 38](#)

Non-governmental organizations (NGOs)

We work with NGOs at international, national and local levels. Many of them have complementary expertise on social and environmental issues. We sometimes rely on them to act as a bridge between bp and other stakeholders. Our work with Creating Communities in Australia, for example, is focused on community engagement. See [page 35](#).

Our engagement with other NGOs is also reported under our aims. For example, read more about our work in Trinidad and Tobago with Shift, an expert on the UN Guiding Principles. See [page 36](#).

Environmental Defense Fund (EDF) – Through our memorandum of understanding with EDF, which runs until 2025, we are working together to drive the reduction of global methane emissions across the oil and gas value chain. In 2023 this included collaborating on the use of evolving satellite technology, to advance analytics such as aerial measurement of methane emissions during tanker loading and to increase greenhouse gas emissions awareness and competency within non-operated joint ventures across the industry.

Investors and shareholders

\$4.8bn


total dividends distributed to bp shareholders

It is important that our shareholders and potential investors understand our strategy and our progress. It is equally important for us to understand their views of bp and the energy sector. We use insights from our investor engagements to inform our communications to financial markets.

Our investor relations team co-ordinates one-to-one engagement with key investors and investor events.

Investor update – In October we hosted an investor update in Denver, US, that included a field trip to see bpx energy's oil and gas and biogas operations in the Permian region. Breakout sessions provided an update to investors on safety and delivery against our net zero aims, in particular aim 1 – net zero operations★ and aim 4 – reducing methane.

Climate Action 100+ (CA100+) – Our score improved in the CA100+ Net Zero Company Benchmark in 2023. We were 'fully aligned' against five metrics (three in 2022) and 'partially aligned' on all other metrics. We value our engagement with CA100+ and its constructive challenge and support. In line with the 2019 resolution it requisitioned^a, we evaluate new material capex investments★ for consistency with the Paris goals, disclose principal climate-related metrics and relevant targets or goals, and the link between these and executive remuneration.

 [Read more about our performance against the CA100+ benchmark at: bp.com/ourreporting](#)

Partners and suppliers

\$151.7bn

in payments to suppliers for goods and services


Supply chain partners

We engage with our suppliers and partners to improve sustainability and reduce any adverse impacts in our supply chain. When appropriate we also help some of our suppliers around the world to make progress against their own sustainability and safety goals.

Our engagement includes daily business interactions, performance reviews and supplier forums.

Global safety supplier forum – Our production & operations team held a global safety supplier forum, focused on eliminating tier 1 process safety events, fatalities and life-changing injuries. Attendees included safety experts and leaders from our global suppliers. The forum discussed how to create a consistent approach to process safety across our industry and included a visit to a hazard research site where controlled explosions were used to highlight potential process safety risks.

 [Read more about diversity in our supply chains on page 40](#)

 [Read more about sustainable purchasing on page 51](#)

Non-operated joint ventures

Our non-operated joint ventures (NOJV) solutions team provides guidance on sustainability engagement for our NOJV relationship managers. Our collaborative activities with our NOJV partners include seminars, workshops and support for target setting.

ADNOC – In October we held a workshop with bp and ADNOC teams to identify opportunities to reduce operational carbon dioxide (CO₂) and methane (CH₄) emissions at the Bab field in the United Arab Emirates. This on-site session was part of our ongoing emissions reduction collaboration with ADNOC.

Gas Natural Açú (GNA) – GNA is developing a large power complex in the city of São João da Barra, Brazil. Working with our partners, we have collaborated with GNA on its sustainability policy, which includes GNA contributing to the social and economic development of the São João da Barra community. For example, GNA has designed specific professional qualification courses for women in the community to create a safe environment for their learning and improve their employability, with most of the women who have completed these courses finding jobs at GNA.

^a The requirements of the CA100+ resolution★ can be found on page 59. bp's responses to the requirements of the resolution are detailed in the *bp Annual Report 2023* (see page 15).

★ See the glossary on [pages 59-61](#)


Trade associations and industry initiatives

We believe that our participation in trade associations and industry initiatives brings significant benefits. Through our many memberships, we share our opinions and advocate for policy and development in line with our strategy.

Ipieca – We are a long-standing member of Ipieca. In 2023 we actively participated in working groups focused on GHG emissions, biodiversity, water management, circularity, just transition, labour rights and modern slavery and reporting.

Global Business Initiative for Human Rights – bp is a member of the Global Business Initiative on Human Rights (GBI), which has representatives from a number of major multinational corporations, across a range of industries. We engage across many pertinent human rights topics, learning from the experience of others and sharing good practice. In 2023 we held discussions with peers about our work on topics that included the quality of community relations and renewable energy.

 [Read about our involvement on the Oil & Gas Decarbonization Charter on **page 25**](#)

 [Read more about trade associations on **page 29**](#)

Academia

Engagement with our academic partners provides fresh perspectives and evidence-based insights on climate change and the energy transition. We maintain a global network of strategic university partners and run scholarship programmes and joint research initiatives. We also engage with academic institutions to bring new talent into bp including through our bp Future Talent Scholars scheme, intern and graduate programmes, and partner with academia to deliver our apprenticeship programmes.

Academic partnerships in China – In 2023 we celebrated the 20th anniversaries of two major partnerships in China: the Tsinghua-bp Clean Energy Research and Education Center (CEC) and the bp-DICP Energy Innovation Laboratory (EIL). The CEC funds cutting-edge research, supports emerging talent and helps shape low carbon energy development in China, including a CEC-led low carbon study that contributed to China setting new climate ambitions in 2020. The EIL, located at the Dalian Institute of Chemical Physics, has successfully completed more than 50 projects and made several technological breakthroughs in low carbon energy research.

International Centre for Advanced Materials (ICAM) – A partnership between bp, Imperial University London, Manchester University and Cambridge University in the UK and Illinois Urbana Champaign in the US, it is focused on research to help solve global energy industry challenges. Its work focuses solely on supporting low carbon activities. In 2022 bp and Johnson Matthey initiated a UK government co-funded project through ICAM that aims to convert carbon dioxide, waste and sustainable biomass into lower carbon and sustainable fuels and products. In 2023 bp and ICAM launched a major programme of fundamental research to support our hydrogen growth engine.

Partnering across sectors

In addition to our engagement with specific stakeholders or our focus on single issues, we also engage through initiatives or organizations that bring together businesses, NGOs, academia, think tanks and governments to address multiple issues.

Sustainable Markets Initiative (SMI) –

We are a founding member of the SMI. Three bp employees are on secondment in the secretariat there, and our CEO and other executives actively participate in the SMI programme, and particularly in the Energy Transition Taskforce. During 2023 the taskforce developed and published two reports – one defining pathways for the decarbonization of heavy industries, and a second on charting a path for resilient and sustainable grid development in Sub-Saharan Africa. Both reports aim to encourage further activity focused on enabling investment in transition and infrastructure projects. The transition framework developed by the taskforce in 2022 to help stakeholders identify, assess, rank, and track companies driving the transition has now been implemented by Sustainable Fitch, which launched a Transition Assessment based on the taskforce's methodology in July 2023.

World Business Council for Sustainable Development (WBCSD) – We are a founding member of the WBCSD. Our EVP for strategy, sustainability & ventures sits on its executive committee and our EVP people & culture is a commissioner on its Business Commission to Tackle Inequality. In 2023 we participated in a number of WBCSD initiatives including its climate, nature and energy working groups.

Design for Good – We joined the Design for Good alliance in 2023. It aims to deliver direct and measurable positive impact in support of the United Nation's Sustainable Development Goals through humanity and planet-centred design. This alliance involves collaboration and encourages bp designers to commit time to working on cross-industry teams to design and build solutions for communities globally.

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Our reporting

bp office, London, UK

Materiality

To inform our sustainability reporting and help us to report on the issues that matter to our stakeholders, we conduct materiality assessments^a.

Our 2023 materiality process

Building on the process used in 2022, we worked with an external agency to refresh specific elements of the assessment used for this sustainability report – so it reflects external developments relating to sustainability and ESG.

This refresh involved research to identify new and emerging ESG topics. It included a review of ESG frameworks, legislation and industry trends. Issues covered in the *bp Sustainability Report 2022* were also assessed to test their continuing strategic significance.

Changes in materiality for 2023

We identified 20 key issues of continuing importance to bp and mapped them to our sustainability frame. This highlighted that there had been no significant changes in topics identified compared to the previous year.

Material issues

Our approach

Business ethics and accountability

 [pages 9-10](#)

Employee attraction and retention

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Safety

 [pages 7-8](#)

Get to net zero★

Climate change and the energy transition

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GHG emissions – our products

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GHG emissions – our operations

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Methane gas emissions

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Public policy and lobbying

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Renewable energy

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Improve people's lives

Access to clean energy

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Sustainable livelihoods and community engagement

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Care for our planet

Biodiversity and sensitive areas

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Circularity

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Nature-based solutions

 [page 48](#)

Sustainable supply chain

 [page 51](#)

Water management

 [pages 46-47](#)

^a For the *bp Sustainability Report 2023* this exercise built on previous sustainability report-related materiality assessments and was for the purposes of the *bp Sustainability Report 2023* only.

★ See the glossary on [pages 59-61](#)

About our reporting

We aim to report on many different aspects of bp, including joint ventures★ where we are the operator. Our aim is to provide useful and transparent reporting.

ESG

To help stakeholders analyse our progress on sustainability we publish a detailed ESG datasheet.

Our sustainability data management system, OneCSR, provides a robust platform for collecting, analysing and sharing data about the carbon, environmental and social performance of our projects and operations.

We also use IRIS, our global application for recording, reporting and learning from health and safety incidents.

 bp.com/ESGdata

Verification and assurance

Our verification methods include reviews of data by reporting businesses and subject matter experts, second-line and group reviews, along with third-line reviews by internal audit.

We ask Deloitte to provide limited external assurance for several key sustainability metrics to the internationally recognized ISAE 3000 standard. Read the Deloitte assurance statement on [pages 62-63](#).

 Read more: bp.com/basisofreporting

Our reporting centre

You can access our current and past reports online.

 bp.com/reportingcentre

★ See the glossary on [pages 59-61](#)

Standards and frameworks

Read more about how we refer to different reporting standards and frameworks to guide our approach to sustainability reporting.

 bp.com/ourreporting

Task Force on Climate-related Financial Disclosures (TCFD)

We describe how we have made disclosures against the TCFD's recommendations and recommended disclosures, in the *bp Annual Report 2023* and online at bp.com/TCFD



Global Reporting Initiative (GRI) standards

We report with reference to the GRI universal standards and oil and gas industry standards.

CDP

We submitted a response to the CDP climate questionnaire and received an A- score in 2023.



SASB standards

We take the SASB oil and gas exploration and production standard into account when making disclosures as part of our response to growing demand for non-financial information to help benchmark corporate performance.



UN Global Compact

We are a signatory to the UN Global Compact and have reinforced our support for the 10 principles on human rights, labour, environment and anti-corruption through our purpose and sustainability frame. We responded to the enhanced Communication on Progress questionnaire in 2023.

Ipieca – the global oil and gas industry association for advancing environmental and social performance

Ipieca's sustainability reporting guidance informs the way we report on environmental and social issues.

Glossary

Average carbon intensity of sold energy products

The rate of GHG emissions per unit of energy delivered (in grams CO₂e/MJ) estimated in respect of sold energy products★. GHG emissions are estimated on a lifecycle basis covering use, production, and distribution of sold energy products.

Biofuels production

Biofuels production is the average thousands of barrels of biofuel production per day during the period covered, net to bp. This includes equivalent ethanol production, bp Bunge biopower for grid export, refining co-processing and standalone hydrogenated vegetable oil (HVO).

Biogas supply volumes

Biogas supply volumes is the average thousands of barrels of oil equivalent per day of production and offtakes during the period covered net to bp.

Blue hydrogen

Hydrogen made from natural gas in combination with carbon captured and stored (CCS).

Capital expenditure

Total cash capital expenditure as stated in the group cash flow statement. Capital expenditure for the operating segments and customers & products businesses is presented on the same basis.

CA100+ resolution

The CA100+ resolution means the special resolution requisitioned by Climate Action 100+ and passed at bp's 2019 Annual General Meeting, the text of which is set out below.

Special resolution: Climate Action 100+ shareholder resolution on climate change disclosures.

That in order to promote the long-term success of the company, given the recognized risks and opportunities associated with climate change, we as shareholders direct the company to include in its strategic report and/or other corporate reports, as appropriate, for the year ending 2019 onwards, a description of its strategy which the board considers, in good faith, to be consistent with the goals of Articles 2.1(a)(1) and 4.1(2) of the Paris Agreement (3) (the Paris goals), as well as:

- (1) Capital expenditure: how the company evaluates the consistency of each new material capex investment★, including in the exploration, acquisition or development of oil and gas resources and reserves and other energy sources and technologies, with (a) the Paris goals and separately (b) a range of other outcomes relevant to its strategy.
- (2) Metrics and targets: the company's principal metrics and relevant targets or goals over the short, medium and/or long term, consistent with the Paris goals, together with disclosure of:
 - a. The anticipated levels of investment in (i) oil and gas resources and reserves; and (ii) other energy sources and technologies.
 - b. The company's targets to promote reductions in its operational greenhouse gas emissions, to be reviewed in line with changing protocols and other relevant factors.
 - c. The estimated carbon intensity of the company's energy products and progress on carbon intensity over time.
 - d. Any linkage between the above targets and executive remuneration.
- (3) Progress reporting: an annual review of progress against (1) and (2) above.

Such disclosure and reporting to include the criteria and summaries of the methodology and core assumptions used, and to omit commercially confidential or competitively sensitive information and be prepared at reasonable cost; and provided that nothing in this resolution shall limit the company's powers to set and vary its strategy, or associated targets or metrics, or to take any action which it believes in good faith, would best promote the long-term success of the company.

Customer touchpoints

Customer touchpoints are the number of retail customer transactions per day on bp forecourts globally. These include transactions involving fuel and/or convenience across all channels of trade.

Developed renewables to final investment decision (FID)

Total generating capacity for assets developed to FID by all entities where bp has an equity share (proportionate to equity share). If the asset is subsequently sold, bp will continue to record capacity as developed to FID. If bp equity share increases, developed capacity to FID will increase proportionately to share increase for any assets where bp held equity at the point of FID.

Emissions from the carbon in our upstream oil and gas production

Estimated CO₂ emissions from the assumed combustion of upstream production of crude oil, natural gas and natural gas liquids (NGLs) based on bp's net share of production, excluding bp's share of Rosneft production and assuming that all produced volumes undergo full stoichiometric combustion to CO₂.

Energy products

For the purposes of our 2023 disclosures relating to our aim 3, we consider an energy product to be one that is generally used to satisfy an energy demand. In the case of fuels, to burn them to release their calorific content, and in the case of electricity to provide work or heat. For further information on products included in bp's 2023 aim 3 reporting see the Basis of Reporting.

 bp.com/basisofreporting

Electric vehicle charge points/EV charge points

Defined as the number of connectors on a charging device, operated by either bp or a bp joint venture, as adjusted to be reflective of bp's accounting share of joint arrangements.

Fast/Fast charging

Fast charging comprises rapid charging★ and ultra-fast charging★.

Green hydrogen

Hydrogen produced by electrolysis of water using renewable power.

Installed renewables capacity

Installed renewables capacity is bp's share of capacity for operating assets owned by entities where bp has an equity share.

Joint venture

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

LNG portfolio

LNG portfolio refers to bp group's LNG equity production plus additional long-term merchant LNG volumes.

Low carbon activity

An activity relating to low carbon including: renewable electricity; bioenergy; electric vehicles and other future mobility solutions; trading and marketing low carbon products; blue or green hydrogen★ and carbon capture, use and storage (CCUS). Note that, while there is some overlap of activities, these terms do not mean the same as bp's strategic focus area of low carbon energy or our low carbon energy sub-segment, reported within the gas & low carbon energy segment.

Low carbon activity investment

Capital investment in relation to low carbon activity★.

Methane intensity

Methane intensity refers to the amount of methane emissions from bp's operated upstream oil and gas assets as a percentage of the total gas that goes to market from those operations. Our methodology is aligned with the Oil and Gas Climate Initiative's (OGCI).

Net zero

References to global net zero in the phrase, 'to help the world get to net zero', means achieving a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty', as set out in Article 4(1) of the Paris Agreement. References to net zero for bp in the context of our ambition and aims 1, 2 and 3 mean achieving a balance between (a) the relevant Scope 1 and 2 emissions (for aim 1), Scope 3 emissions (for aim 2) or product lifecycle emissions (for aim 3) and (b) the aggregate of applicable deductions from qualifying activities such as sinks under our methodology at the applicable time.

Net zero operations

bp's aim to reach net zero operational greenhouse gas (CO₂ and methane) emissions by 2050 or sooner, on a gross operational control basis, in accordance with bp's aim 1 which relates to our reported Scope 1 and 2 emissions. Any interim target or aim in respect of bp's aim 1 is defined in terms of absolute reductions relative to our baseline year of 2019.

Net zero production

bp's aim to reach net zero CO₂ emissions, in accordance with bp's aim 2, from the carbon in our upstream oil and gas production, in respect of the estimated CO₂ emissions from the combustion of upstream production of crude oil, natural gas and natural gas liquids (based on bp's net share of production, excluding bp's share of Rosneft production and assuming that all produced volumes undergo full stoichiometric combustion to CO₂). Aim 2 is bp's Scope 3 aim and relates to Scope 3 category 11 emissions within the selected boundary of bp's net share of upstream production of oil and gas. Any interim target or aim in respect of bp's aim 2 is defined in terms of absolute reductions relative to the baseline year of 2019.

Net zero sales

bp's aim to reach net zero for the carbon intensity of sold energy products★, in accordance with bp's aim 3. Any interim target or aim in respect of bp's aim 3 is defined in terms of reductions in the carbon intensity of the energy products we sell (in grams CO₂e/MJ) relative to the baseline year of 2019.

New material capex investment

A decision taken by the resource commitment meeting in 2021 to incur inorganic or organic investments greater than \$250 million that relate to a new project or asset, extending an existing project or asset, or acquiring or increasing a share in a project, asset or entity.

Operating management system (OMS)

bp's OMS helps us manage risks in our operating activities by setting out bp's principles for good operating practice. It brings together bp requirements on health, safety, security, the environment, social responsibility and operational reliability, as well as related issues, such as maintenance, contractor relations and organizational learning, into a common management system.

Physically traded energy product

For the purposes of aim 3, this includes trades in energy products★, which are physically settled, with the exception of, for example, financial trades and certain other transactions where the purpose or effect is that the volumes traded or supplied net off against each other.

Rapid/Rapid charging

Rapid charging includes electric vehicle charging of greater than or equal to 50kW, and less than 150kW.

Renewables pipeline

Renewable projects satisfying the criteria below until the point they can be considered developed to FID:

Site-based projects that have obtained land exclusivity rights, or for PPA-based projects an offer has been made to the counterparty, or for auction projects pre-qualification criteria has been met, or for acquisition projects post a binding offer has been accepted.

Retail sites

Retail sites include sites operated by dealers, jobbers, franchisees or brand licensees or joint venture (JV) partners, under the bp brand. These may move to and from the bp brand as their fuel supply agreement or brand licence agreement expires and are renegotiated in the normal course of business. Retail sites are primarily branded *bp*, *ARCO*, *Amoco*, *Aral*, *Thorntons*, and *TravelCenters of America* and also includes sites in India through our Jio-bp JV.

Sold energy products

For the purposes of aim 3, these represent the energy products★ we sell to third parties including both marketed sales and physically traded energy products★. For these purposes, intercompany sales (sales between two group subsidiaries) are not included and equity accounted entities are treated as third parties.

Strategic convenience sites

Strategic convenience sites are retail sites★, within the bp portfolio, which sell bp-supplied vehicle energy (e.g. *bp*, *Aral*, *ARCO*, *Amoco*, *Thorntons*, *bp pulse*, *TravelCenters of America* and *PETRO*) and either carry one of the strategic convenience brands (e.g. M&S, REWE to Go) or a differentiated bp-controlled convenience offer. To be considered a strategic convenience site, the convenience offer should have a demonstrable level of differentiation in the market in which it operates. Strategic convenience site count includes sites under a pilot phase.

Sustainable emissions reductions (SER)

SERs result from actions or interventions that have led to ongoing reductions in Scope 1 (direct), Scope 2 (indirect) greenhouse gas (GHG) emissions (carbon dioxide and methane), or both, such that GHG emissions would have been higher in the reporting year if the intervention had not taken place. SERs must meet three criteria: a specific intervention that has reduced GHG emissions, the reduction must be quantifiable and the reduction is expected to be ongoing. Reductions are reportable for a 12-month period from the start of the intervention/action.

Transition growth

Activities, represented by a set of transition growth engines, that transition bp toward its objective to be an integrated energy company, and that comprise our low carbon activity★ alongside other businesses that support transition, such as our power trading and marketing business and convenience.

Transition growth investment

Capital investment in relation to transition growth★, that is aligned to our aim 5 (to increase the proportion of investment we make into our non-oil and gas businesses. For this purpose, we define 'oil and gas' activities as those primarily encompassing the production, refining and sale of fossil hydrocarbons and their products and those associated with the dedicated gas and oil trading businesses).

Ultra-fast/Ultra-fast charging

Vehicle charging greater than or equal to 150kW.

Underlying replacement cost (RC) profit or loss

Non-IFRS measure. RC profit or loss (as defined in the *bp Annual Report and Form 20-F 2023* page 380) after excluding net adjusting items and related taxation. See the *bp Annual Report and Form 20-F 2023*, page 337, for additional information on the adjusting items that are used to arrive at underlying RC profit or loss in order to enable a full understanding of the items and their financial impact. Underlying RC profit or loss before interest and tax for the operating segments or customers & products businesses is calculated as RC profit or loss (as defined above) including profit or loss attributable to non-controlling interests before interest and tax for the operating segments and excluding net adjusting items for the respective operating segment or business.

bp believes that underlying RC profit or loss is a useful measure for investors because it is a measure closely tracked by management to evaluate bp's operating performance and to make financial, strategic and operating decisions and because it may help investors to understand and evaluate, in the same manner as management, the underlying trends in bp's operational performance on a comparable basis, period on period, by adjusting for the effects of these adjusting items. The nearest equivalent measure on an IFRS basis for the group is profit or loss attributable to bp shareholders. The nearest equivalent measure on an IFRS basis for segments and businesses is RC profit or loss before interest and taxation.

A reconciliation to IFRS information is provided in the *bp Annual Report and Form 20-F 2023* page 382 for the group and pages 39-47 for the segments.

upstream

upstream includes oil and natural gas field development and production within the gas & low carbon energy and oil production & operations segments. References to upstream exclude Rosneft.

Assurance statement

Independent limited Assurance Report by Deloitte LLP to BP p.l.c. (“bp”) on selected sustainability metrics (the “Selected Information”) within the sustainability report and the ESG datasheet for the reporting year ended 31 December 2023.

Our assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023, as listed below, has not been prepared, in all material respects, in accordance with the Basis of Reporting defined by bp.

Scope of our work

bp has engaged us to perform an independent limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000” (Revised)) and the International Standard on Assurance Engagements 3410 Assurance engagements on greenhouse gas statements (“ISAE 3410”) issued by the International Auditing and Assurance Standards Board (“IAASB”) and our agreed terms of engagement.

The Selected Information in scope of our engagement for the year ended 31 December 2023 is listed in the table on this page.

The Selected Information, as listed in the table on this page, needs to be read and understood together with the bp Basis of Reporting 2023, which can be found on the bp website (bp.com/basisofreporting).

	Unit of measure	Reported value
Safety indicators		
1. Recordable Injury Frequency (RIF) (employees and contractors)	injuries per 200,000 hours worked	0.274
2. Total fatalities (employees and contractors)	Number	1
3. Process safety events (Total of tier 1 and tier 2)	Number	39
Environmental indicators		
4. Scope 1 (direct) GHG emissions (operational boundary) (aim 1)	MtCO ₂ e	31.1
5. Scope 1 (direct) GHG emissions from UK locations (operational boundary) (aim 1)	MtCO ₂ e	1.0
6. Scope 1 (direct) GHG emissions from global locations (excluding UK and offshore) (operational boundary) (aim 1)	MtCO ₂ e	30.1
7. Scope 2 (indirect) market-based GHG emissions (operational boundary) (aim 1)	MtCO ₂ e	1.0
8. Scope 2 (indirect) market-based GHG emissions from UK and offshore locations (operational boundary) (aim 1)	MtCO ₂ e	0.0
9. Scope 2 (indirect) market-based GHG emissions from global locations (excluding UK and offshore) (operational boundary) (aim 1)	MtCO ₂ e	1.0
10. Scope 1 (direct) GHG emissions (equity boundary) (aim 1)	MtCO ₂ e	31.9
11. Scope 2 (indirect) GHG emissions (equity boundary) (aim 1)	MtCO ₂ e	1.5
12. Total Sustainable Emissions Reductions (SERs) (aim 1)	MtCO ₂ e	0.9
13. Scope 1 (direct) carbon dioxide emissions (operational boundary) (aim 1)	MtCO ₂ e	30.2
14. Scope 1 (direct) methane emissions (operational boundary) (aim 1)	Mte	0.03
15. Emissions from carbon in the upstream oil and gas production (aim 2)	MtCO ₂	315
16. Carbon intensity of total marketed and physically traded energy products (aim 3)	gCO ₂ e/MJ	77
17. Methane intensity (%) (aim 4)	%	0.05
18. Energy consumption for UK and offshore locations (operational boundary)	GWh	4,688
19. Energy consumption for global locations (excluding UK and offshore) (operational boundary)	GWh	120,082

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Basis of Reporting. Inherent limitations exist in all assurance engagements. Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Basis of Reporting, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

We draw your attention to the specific limitations, due to the nature of the Selected Information, set out in the "Key procedures performed" section below.

Roles and responsibilities

bp is responsible for:

- Selecting and establishing the Basis of Reporting.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Basis of Reporting.
- Publishing the Basis of Reporting publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to aim to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of our engagement.

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.

- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report.

Our independence and competence

In conducting our engagement, we complied with the independence requirements of the FRC's Ethical Standard and the ICAEW Code of Ethics. The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied the International Standard on Quality Management (UK) 1 ("ISQM (UK) 1"), issued by the Financial Reporting Council. Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Key procedures performed

We are required by ISAE 3000 (Revised) and ISAE 3410 to plan and perform our work to address the areas where we have identified that a material misstatement in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement in respect of the Selected Information, we performed the following procedures:

- Performed an assessment of the Basis of Reporting to determine whether it is suitable for the engagement circumstances and the 'Selected Information', and, where necessary, discussed with bp the need for edits.
- Performed analytical review procedures to understand the underlying subject matter and identify areas where a material misstatement of the Selected Information is likely to arise.
- Through inquiries of management, obtained an understanding of bp, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and further assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.

- Through inquiries of management, obtained an understanding of internal controls relevant to the Selected Information, the quantification process and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We did not evaluate the design of particular internal control activities, obtain evidence about their implementation or test their operating effectiveness.
- Inspected documents relating to the Selected Information, including, where applicable, board level safety and sustainability committee minutes and, where applicable internal audit outputs to understand the level of management awareness and oversight of the Selected Information.
- Performed procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations.
- Performed procedures over underlying data on a sample basis to assess whether the data had been collected and reported in accordance with the Basis of Reporting, including verifying to source documentation, where applicable.
- Performed procedures over the Selected Information including assessing management's assumptions and estimates.
- Accumulated identified misstatements and assessed whether material.
- Read the narrative accompanying the Selected Information with regard to the Basis of Reporting, and for consistency with our findings.

Physical asset inspections and site visits have not been performed as part of our limited assurance procedures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We perform our engagement to obtain limited assurance over the preparation of the Selected Information in accordance with the Basis of Reporting. We draw your attention to the following specific limitation:

- Process Safety Events and Total Fatalities are recorded, and Recordable Injury Frequency is calculated, based on events reported by sites relating to bp employees and bp contractors, as defined in the Basis of Reporting. As a result, our testing may not identify instances where events may have occurred but have not been reported.

Use of our report

This report is made solely to the Company in accordance with ISAE 3000 (Revised), ISAE 3410 and our agreed terms of engagement. Our work has been undertaken so that we might state to the Company those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Company and the Company's Directors as a body we acknowledge that the Company may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Directors as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte LLP, London
8 March 2024

Cautionary statement

In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA') and the general doctrine of cautionary statements, bp is providing the following cautionary statement.

bp Sustainability Report 2023 contains certain forecasts, projections and forward-looking statements – that is, statements related to future, not past events and circumstances with respect to the financial condition, results of operations and businesses of bp and certain of the plans and objectives of bp with respect to these items. These statements may generally, but not always, be identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see' or similar expressions. In particular, such statements, among other statements, may include but are not limited to: statements relating to the purpose, ambition, aims, targets, plans and objectives of bp – as well as statements regarding expectations for bp's strategy including for bp's transformation from being an international oil company focused on producing resources, to an integrated energy company focused on delivering energy solutions for customers; plans and expectations regarding bp's ambition to be a net zero company by 2050 or sooner and help the world get to net zero, including its five aims to get bp to net zero across its production, operations and sales, as well as its aims in respect of, methane measurement at major oil and gas processing sites by 2023 and aims for subsequent reduction of methane intensity of operations, and aims to increase the proportion of investment into non-oil and gas businesses over time; plans and expectations regarding bp's five aims to help get the world to net zero, including the aim to more actively advocate for policies that support net zero, including carbon pricing, the aim to incentivize

bp's global workforce to deliver on these aims and mobilize them to become advocates for net zero, the aim to set new expectations for relationships with trade associations around the globe, the aim to be recognized as an industry leader for the transparency of its reporting and the aim to provide integrated clean energy and mobility solutions; plans and expectations for bp's sustainability frame that underpins the strategy including 10 aims (our people and planet aims) regarding more clean energy and the plan to have developed 50GW renewable energy generating capacity to final investment decision by 2030, supporting a just transition that advances human rights and education and includes developing just transition plans in priority areas, helping over one million people build sustainable livelihoods, greater diversity, equity and inclusion for our workforce and customers and increasing supplier diversity spend in 2023 from \$1 billion to \$650 million, enhancing the health and wellbeing of our employees, contractors and local communities, applying our NPI biodiversity methodology on new bp projects in scope, replenishing more fresh water than we consume in our operations, using nature-based solutions to deliver value and contribute to our people and planet aims in our operations and through our business activities and using circular resources and embracing circular principles in design, operations and decommissioning, working with our key suppliers to embed sustainable practices, and publishing a sustainable purchasing position, identifying circularity focus areas; expectations that by 2030 bp's net production of oil, natural gas and natural gas liquids will be around 20-30% lower relative to 2019; plans and expectations about growing our renewables and bioenergy businesses and seeking early positions in hydrogen and carbon capture, use and storage and strengthen our gas position; our role in the Net Zero Teesside and Northern Endurance projects;

plans and expectations in relation to divestments including non-core assets; expectations regarding bp's activities in offshore wind in the US; plans to focus on the customer and scale up of mobility solutions, including electrification, biogas and biofuels fuels and hydrogen; plans to do more to integrate sustainability into our governance structures and business processes, so that it informs our strategic and operational decisions; statements regarding the uncertainties in the energy transition; forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of bp. Actual results or outcomes may differ from those expressed in such statements, depending on a variety of factors including those set out in the 'Risk factors' in our *Annual Report and Form 20-F 2023* and any other matters referred to at [bp.com/sustainability](https://www.bp.com/sustainability).

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