



BP to slash green investment and ramp up gas and oil



BP is expected to announce it will slash its renewable energy investments and instead focus on increasing oil and gas production. The energy giant will outline its strategy later following pressure from some investors unhappy its profits and share price have been much lower than its rivals, Shell and Norwegian company Equinor have already scaled back their plans to invest in green energy. Meanwhile US President Donald Trump's "drill baby drill" comments have encouraged investment in fossil fuels and a move away from low carbon projects.

It is now expected to abandon it altogether while confirming it is cutting investments in renewable energy by more than half in what chief executive Murray Auchincloss called a "fundamental reset". In 2024, BP's net income fell to \$8.9bn (£7.2bn) down from \$13.8bn the previous year. Mr Auchincloss is under pressure to boost profits from some shareholders including the influential activist group Elliot Management, which took a near £4 billion stake in the £70 billion company to push for more investment in oil and gas.

Since 2020 when former chief executive Bernard Looney first unveiled his strategy, shareholders have received total returns including dividends of 36% over the last five years. In contrast, shareholders in rivals Shell and Exxon have seen returns of 82% and 160% respectively. s.r. shareholders and environmental groups have voiced concerns over any potential ramping up on production of fossil fuels. Five years ago, BP set some of the most ambitious targets among large oil companies to cut production of oil and gas by 40% by 2030, while significantly ramping up investment in renewables. The environmental group Greenpeace UK has warned BP could expect "pushback and challenge at every turn if it doubles down on fossil fuels - not just from green campaigners but from its own shareholders".

Senior climate adviser Charlie Kronick said: "Government policies will also need to prioritise renewable power, and as extreme weather puts pressure on insurance models - policymakers will be looking to fossil fuel profits as a way to fund extreme weather recovery. BP might want to seriously put the brakes on this U-turn."

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