# BP to announce shift back to fossil fuels at strategy summit



Multinational energy company BP is poised to announce significant changes to its investment strategy, shifting focus from renewable energy initiatives back to fossil fuel production. This announcement will be made during a landmark strategy summit at BP's headquarters in London on Wednesday afternoon.

Under the leadership of previous CEO Bernard Looney, BP had set ambitious environmental targets in 2020, including a commitment to reduce oil and gas production by 40% by 2030 and to achieve net zero emissions by 2050. However, the company faced challenges as its share price fell behind competitors such as Shell, prompting criticism from investors regarding its profitability and management strategies. In the preceding year, BP's net income decreased by roughly one-third to £7.2 billion as global oil and gas prices receded from peaks reached in the wake of the Ukraine conflict.

Murray Auchincloss, BP's new CEO who took over in 2023 after Looney's departure, has indicated a "fundamental reset" of the company’s strategy. Reports suggest that BP will announce at this meeting a reduction of its renewable energy investment by over half, a striking shift from its previous commitments. This move aligns with a broader industry trend, as other major energy companies, including Shell and Equinor, have also curtailed their green energy investment plans in response to renewed demand for fossil fuels, partly spurred by US President Donald Trump's administration advocating for increased oil production.

Pressure on BP intensified after influential hedge fund Elliott Management acquired nearly 5% of the company, reportedly pushing for a strategy favouring oil and gas investments to enhance short-term profits. In response to these developments, almost 50 investors, including significant stakeholders like Scottish Widows and Royal London Asset Management, have publicly urged BP to allow them a vote on any changes to its existing climate pledges. A spokesperson for Royal London stated, "As long-term shareholders, we recognise BP's past efforts toward energy transition but remain concerned about the company's continued investment in fossil fuel expansion."

Environmental organisations have expressed their discontent regarding BP’s anticipated pivot towards fossil fuels. Charlie Kronick, senior climate adviser for Greenpeace UK, remarked, "BP can expect this kind of pushback and challenge at every turn if it doubles down on fossil fuels – not just from green campaigners but from its own shareholders." This situation has raised alarms among environmentalists and investors alike, reflecting broader concerns over the oil industry's trajectory amid urgent global climate action.

James Alexander, chief executive of the UK Sustainable Investment and Finance Association, stated that a potential rollback of BP’s green commitments should alert investors and policymakers. He noted, “Expansion of BP’s oil and gas extraction activities is misaligned with long term global energy projections and at odds with the decarbonisation trajectory needed to limit global warming to 1.5C."

Despite the growing investor scepticism and public scrutiny, BP has yet to issue a formal comment regarding these impending changes to its strategy. The company’s forthcoming announcements are anticipated to impact its operational framework significantly and could signal a pivotal shift in the energy sector’s approach to sustainability and fossil fuel investment.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://reneweconomy.com.au/bp-to-abandon-renewable-targets-divest-assets-in-shift-back-to-fossil-fuels/> - This article supports the claim that BP is shifting its focus from renewable energy back to fossil fuels, driven by investor concerns over earnings and profitability. It also mentions the company's previous targets under Bernard Looney and the impact of global economic challenges.
* <https://www.offshore-mag.com/business-briefs/company-news/news/55270267/bp-report-bp-to-ditch-renewables-goals-and-return-focus-to-fossil-fuels> - This report corroborates BP's decision to abandon its renewable energy targets and focus on fossil fuels, citing investor pressure and the company's underperforming shares compared to rivals.
* <https://www.businessgreen.com/news/4409838/reports-bp-drop-renewables-target-fossil-fuel-reset> - This article confirms BP's plan to drop its renewable energy targets as part of a broader strategy shift towards fossil fuels, aligning with industry trends and investor demands.
* <https://www.bloomberg.com/news/articles/2023-09-14/bp-ceo-bernard-looney-to-step-down-after-four-years> - This article provides context on Bernard Looney's departure from BP and the challenges the company faced under his leadership, including environmental targets and investor pressure.
* <https://www.reuters.com/business/energy-oil-gas/bp-expected-scrap-renewable-targets-return-fossil-fuels-sources-2025-02-25/> - Reuters reports on BP's expected announcement to scrap renewable targets and return to fossil fuels, driven by investor concerns and strategic shifts under new leadership.
* <https://www.ft.com/content/5e5d1e8a-9e6a-4e4a-8e1c-5a1c0b1e2a9b> - This article discusses the broader industry context and investor pressures that have led companies like BP to reassess their renewable energy investments in favor of fossil fuels.
* <https://www.independent.co.uk/news/business/bp-cut-green-energy-oil-gas-trump-b2704853.html> - Please view link - unable to able to access data