# BP faces shareholder revolt over climate strategy reversal at AGM



BP is poised for a significant confrontation between shareholders over its climate strategy as it holds its annual general meeting (AGM) at its Sunbury-on-Thames headquarters on Thursday. The meeting is expected to highlight deep divisions among investors regarding the oil major’s recent strategic shift and its future direction on climate-related issues.

Earlier this year, BP announced a sharp pivot away from its previous commitment to renewable energy investment, opting instead to ramp up production of oil and gas. The company stated it had gone “too far, too fast” in pursuing green energy and would now focus on fossil fuel extraction to enhance profitability and share price performance, which have lagged behind some of its competitors. This reversal has drawn criticism from environmental groups and investors concerned about the global effort to limit climate change.

The meeting coincides with a wider climate of uncertainty in the energy sector. Following the election of US President Donald Trump, corporate America has intensified its focus on fossil fuels, moving away from environment, social and governance (ESG) principles. BP’s strategic reversal appears to align with this trend, but it also directly challenges guidance from international energy authorities, which stress the need to transition away from fossil fuels to limit global warming to 1.5C above pre-industrial levels.

A coalition of 48 institutional investors has publicly criticised BP for not providing shareholders with a direct vote on its revised strategy. In response, some shareholders plan to oppose the reappointment of BP’s chairman, Helge Lund, during Thursday’s AGM as a means of registering their dissatisfaction. Mr Lund was integral in establishing BP’s previous green agenda but recently announced he will step down “in due course” as the company embarks on its new path.

Tarek Bouhouch, a representative of activist group Follow This, explained the significance of this potential vote against Mr Lund. Speaking to the PA news agency, he said, “BP has made a hasty, we even say panic-mode, U-turn on their climate promises. It took them a couple of weeks to scrub clear their five-year-old pledges.” Mr Bouhouch indicated that the vote’s opposition would be driven purely by environmental, social and governance concerns and hoped it would reach at least 10%, which would represent a record level of resistance to board member reappointments at UK oil majors in the last decade.

Follow This, which traditionally has filed shareholder climate resolutions at oil companies, has chosen not to submit such proposals this year. This decision is attributed to recent political setbacks in ESG matters and legal challenges faced by activist groups, including a lawsuit from US oil giant ExxonMobil. Mr Bouhouch further explained, “We decided not to file amid a lot of uncertainty with regards to shareholders’ rights and the economic fundamentals that are (being) debated and have had a chilling effect on the engagement for 2025.”

The reduction in shareholder activism extends beyond BP. Data from the activist group As You Sow reveals that as of 21 February 2025, investors have filed 355 shareholder proposals on ESG issues, a significant decline from 536 filed at the same time in 2024 and 542 in 2023. Penny Fowler, co-director of corporate engagement at ShareAction, commented, “Responsible investors are rightly concerned about what the long-term financial risks of compounding climate change (are) and are asking that these powerful companies play their part in preventing the worst effects of global heating. Communities around the world are grappling with the snowballing of harmful impacts from our changing climate, from super-storms to extreme heat and drought.”

BP’s reversal marks a stark contrast with the ambitious climate goals it announced in 2020, which included plans to reduce oil and gas production by 40% by 2030 and substantially increase investment in renewables. Instead, the company now aims to raise its oil production to between 2.3 million and 2.5 million barrels per day by 2030, a target that appears to conflict with global efforts to limit temperature rises. The International Energy Agency (IEA) has stated that no new fossil fuel projects are compatible with the 1.5C warming target, a benchmark endorsed by most of the international community.

As BP’s AGM opens the 2025 proxy season, the oil major’s battle over climate ambitions is expected to set a tone for the wider energy sector and raise significant questions about the balance between shareholder interests, environmental responsibilities, and the future of global energy policy.

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

## References

* <https://www.morningstar.co.uk/uk/news/AN_1744826609388371500/bp-set-for-shareholder-clash-over-climate-goals-as-agm-season-starts.aspx> - This article corroborates BP's upcoming AGM at Sunbury-on-Thames highlighting the shareholder clash over the company's climate goals, including the strategic pivot away from renewables toward fossil fuels and the dissent over chairman Helge Lund's reappointment linked to climate strategy concerns.
* <https://www.globalwitness.org/en/press-releases/bps-climate-u-turn-set-to-cause-72000-extra-heat-deaths/> - This source supports the claim that BP scrapped its 2030 target to reduce oil and gas production by 40%, leading to increased emissions with severe climate and health consequences, including an estimated 72,000 additional heat deaths by century's end.
* <https://www.pensions-expert.com/lgps/border-to-coast-to-vote-against-bp-over-weakened-climate-targets/69354.article> - This article confirms the opposition by institutional investors such as Border to Coast, who plan to vote against BP board members, including Helge Lund, due to the weakened climate targets and lack of shareholder vote on the new strategy.
* <https://www.responsible-investor.com/investor-heavyweights-set-to-vote-against-bp-chair-over-climate/> - This source details how major UK and European investors are set to oppose BP chair Helge Lund's reappointment at the AGM as a direct protest against BP's retreat from prior climate commitments.
* <https://www.follow-this.org/wp-content/uploads/2023/02/Follow-This-BP-Climate-Resolution-2023.pdf> - This PDF shareholder resolution from Follow This outlines the environmental group’s prior efforts to urge BP to set Paris-aligned emissions reduction targets by 2030 and supports the context regarding Follow This choosing not to file resolutions in 2025 due to legal and political challenges.