

BP waters down environmental ambitions after record profit

Profit hit record highs at oil giant BP last year as the business benefited from runaway oil and gas prices caused by the war in Ukraine.

The company also said that it had slashed its emissions reduction targets by a third, and will produce much more oil and gas by the end of this decade than previously thought.

BP said that underlying replacement cost profit – the figure most followed by analysts – had reached 27.7 billion dollars (£23 billion) last year.

It came just days after [Shell](#) reported its highest profit on record at nearly 40 billion dollars (£33 billion).

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Within minutes, unions and pressure groups voiced outrage that BP is making enormous profits while ordinary people struggle

to afford the energy it sells.

Trades Union Congress general secretary Paul Nowak said: "As millions struggle to heat their homes and put food on the table, BP are laughing all the way to the bank.

"Ministers are letting big oil and gas companies pocket billions in excess profits. But they are refusing to give nurses, teachers and other key workers a decent pay rise."

[Labour](#) shadow climate change secretary [Ed Miliband](#) said: "What is so outrageous is that as fossil fuel companies rake in these enormous sums, Rishi Sunak still refuses to bring in a proper windfall tax that would make them pay their fair share.

"In just eight weeks' time, the [Government](#) plans to allow the energy price cap to rise to £3,000. Labour would use a proper windfall tax to stop prices going up in April."

Perhaps more significantly in the long term, BP slashed its environmental targets on Tuesday.

The company had been one of the first oil and gas majors in the world to announce an ambition to cut emissions to net zero by 2050.

As part of this it has previously promised that emissions will be 35-40% lower by the end of this decade.

However, on Tuesday the company said that it was significantly revising this target. Instead it is targeting a 20-30% cut.

Boss [Bernard Looney](#) said it was about investing in both the transition and the energy that is needed today as he announced an extra 8 billion dollars (£6.6 billion) for oil and gas investment by 2030 and another 8 billion dollars for transition projects.

"With today's announcement we are leaning further in," he

said.

“We are growing our investment into our transition and, at the same time, growing investment into today’s energy system.

BP said that it now plans to cut oil and gas production by just 25% by the end of 2030 when compared to 2019. The previous target had been a 40% cut.

Greenpeace UK’s head of climate justice Kate Blagojevic said: “Not only will BP’s new strategy fail to deliver much-needed energy security in the UK but it will ensure that people across the globe already battling devastating droughts, floods and heatwaves, will continue losing their lives and livelihoods.”

BP said its underlying replacement cost profit was slightly lower in the last three months of the year compared to previous quarters at 4.8 billion dollars (£4 billion).

BP said that the fourth quarter result had been affected by its gas marketing division, which saw below average results after an exceptional third quarter.