

## PROXY MEMORANDUM

Re: BP plc 2026 Annual General Meeting  
Filed by: Sierra Club Foundation  
Date: April 7, 2026

### IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

This communication is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card.

### SUMMARY OF VOTING RECOMMENDATIONS

Resolution	Proposal	Recommendation
4	Election of Albert Manifold (Chair)	AGAINST
22	Adoption of New Articles of Association	AGAINST
23	Revocation of 2015 and 2019 Climate Disclosure Resolutions	AGAINST
24	ACCR Shareholder Resolution on Capital Discipline	FOR

### RATIONALE: A SYSTEM-LEVEL FIDUCIARY FRAMEWORK

For diversified, long-term investors, the primary driver of portfolio returns is the performance of the broader economy rather than the idiosyncratic performance of individual firms. System-wide risks—particularly those associated with climate change and the energy transition—are therefore financially material to portfolio value.

These risks are:

- **Non-diversifiable** (they affect the entire market)
- **Transmitted through macroeconomic channels** (inflation, asset impairments, insurance losses, supply chain disruption)
- Amplified by governance failures at systemically important firms

Accordingly, fiduciary duty requires not only evaluation of company-specific performance, but also whether corporate governance and disclosure practices:

1. Enable accurate pricing of system-level risks, and
2. Support stewardship and capital allocation consistent with long-term economic stability

The recommendations below are grounded in this framework.

## RESOLUTION 4 – TO ELECT ALBERT MANIFOLD AS A DIRECTOR (AGAINST)

### *System-Level Rationale*

The Chair plays a central role in overseeing governance processes that determine how shareholder concerns—particularly those related to financially material systemic risks—are addressed.

Two governance failures are directly relevant:

1. **Exclusion of a Valid Shareholder Resolution**

The Board confirmed that a shareholder proposal met the legal threshold for submission, yet declined to include it in BP's AGM materials. This action restricts the ability of investors to exercise oversight on issues with clear financial relevance.

2. **Insufficient Oversight of System-Level Risk Exposure**

Climate-related transition risk is not confined to BP's enterprise value. It affects the broader economy and, by extension, diversified portfolios. Failure to disclose strategy under declining demand scenarios impairs investors' ability to assess these risks.

### *Why This Matters for Diversified Investors*

- Governance mechanisms that limit shareholder input reduce the market's ability to **price systemic risk efficiently**
- Poor oversight of transition risk can contribute to **misallocation of capital across the energy system**, with downstream effects on economic stability
- Accountability at the Chair level is essential when governance processes fail to address financially material risks

### *Conclusion:*

A vote AGAINST the Chair is warranted where governance practices inhibit investor oversight of risks that extend beyond the firm to the broader market.

## RESOLUTION 22 – NEW ARTICLES OF ASSOCIATION (AGAINST)

### *System-Level Rationale*

The proposed changes may enable fully electronic shareholder meetings, potentially reducing direct engagement between shareholders and the Board.

### *Why This Matters for Diversified Investors*

- Effective stewardship depends on **robust engagement mechanisms**, particularly for complex, system-level risks
- Reduced interaction may impair investors' ability to:
  - Challenge assumptions underlying capital allocation
  - Seek clarification on transition strategy
  - Hold boards accountable for systemic risk exposure

From a portfolio perspective, weakened governance channels can lead to:

- Delayed recognition of risks
- Reduced transparency across markets
- Suboptimal capital allocation decisions

### *Conclusion:*

A vote AGAINST is warranted where governance changes may reduce the effectiveness of shareholder oversight on economically material issues.

## RESOLUTION 23 – REVOCATION OF CLIMATE DISCLOSURE RESOLUTIONS (AGAINST)

### *System-Level Rationale*

This resolution would revoke previously adopted climate-related disclosure requirements that investors deemed material by substantial majorities.

### *Why This Matters for Diversified Investors*

1. Reduction in Systemically Relevant Disclosure
  - Climate disclosures enable investors to assess:
    - Transition risk
    - Asset impairment risk
    - Capital allocation alignment with macroeconomic trends
  - Removing such disclosures reduces visibility into risks that affect entire portfolios
2. Market-Wide Implications
  - Disclosure standards at large issuers influence market norms
  - Weakening disclosure at a major energy company may contribute to:
    - Information asymmetry
    - Mispricing of systemic risks across sectors
3. Governance Signal
  - Revoking previously supported resolutions raises concerns about:
    - Reliability of shareholder mandates

- Stability of governance frameworks
  - This introduces uncertainty that can affect investor confidence broadly
4. Capital Allocation Consequences
- Without adequate disclosure, investors cannot evaluate whether capital expenditure decisions:
    - Reflect realistic demand scenarios
    - Account for downside risks in declining demand environments

*Conclusion:*

A vote AGAINST is warranted to maintain disclosure practices that are essential for assessing risks to both company value and diversified portfolios.

RESOLUTION 24 – ACCR SHAREHOLDER RESOLUTION ON CAPITAL DISCIPLINE (FOR)

*System-Level Rationale*

This resolution seeks enhanced disclosure on capital allocation discipline for oil and gas projects, including cost competitiveness, execution risks, and value-creation assumptions.

Why This Matters for Diversified Investors

1. Capital Allocation and Systemic Risk
  - Overinvestment in high-cost or marginal projects in a declining demand environment can lead to:
    - Asset impairments
    - Balance sheet stress
    - Broader market volatility
2. Price Formation and Market Stability
  - Industry-wide overproduction can depress prices, affecting:
    - Sector profitability
    - Credit markets
    - Macroeconomic conditions in energy-dependent regions
3. Transparency Enables Efficient Markets
  - Investors require:
    - Clear assumptions
    - Comparable metrics
    - Forward-looking analysis to allocate capital efficiently across the economy
4. Alignment with Fiduciary Objectives
  - Disclosure of capital discipline supports:
    - Risk-adjusted return optimization

- Avoidance of value-destructive investment cycles

*Conclusion:*

A vote FOR is warranted as the resolution enhances transparency on capital allocation decisions that have both company-specific and system-wide financial implications.

CONCLUSION

The recommendations outlined above are grounded in a consistent principle:

For diversified investors, governance and disclosure practices at systemically important firms must support the accurate assessment and management of risks that affect the broader economy.

Votes on these resolutions are therefore not solely judgments about BP's standalone performance, but also about whether its governance framework supports:

- Market transparency
- Efficient capital allocation
- Long-term portfolio value creation