bp Annual Report and Form 20-F 2025







Key performance highlights in 2025

$24.5bn
operating cash flow★
improved cash conversion

$14.5bn
capital expenditure★
10% YoY reduction

2.3mmboed
upstream★ production
exceeded plan

- Refining availability of 96.3% and plant reliability of 96.1% were highest on record.
- 7 major projects started up, 5 ahead of schedule.
- $11bn completed or signed divestments, including $6bn *Castrol* transaction.
- On track against primary targets set out in Capital Markets Update (February 2025).

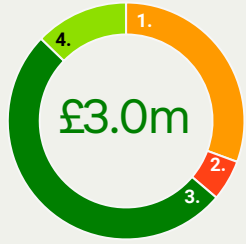
Total remuneration in 2025

1. Salary and benefits
2. Cash allowance in lieu of pension
3. Annual bonus
4. Performance shares

Single figure
Chief executive officer (outgoing)
35% Fixed
65% Variable pay

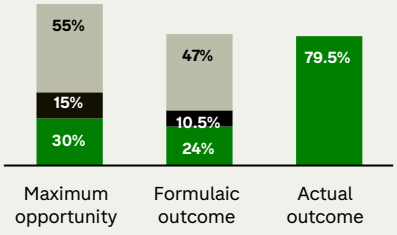


Single figure
Chief financial officer
36% Fixed
64% Variable pay



Pay outcomes in 2025

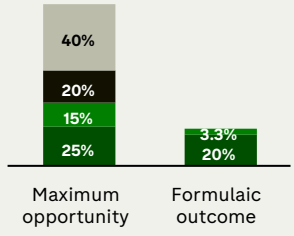
Annual bonus
(2025 ACB)



81.5% of maximum
formulaic outcome

79.5% of maximum
formulaic outcome
actual outcome after exercise of discretion

Performance shares
(2023-25 EDIP)



23.3% of maximum
formulaic outcome

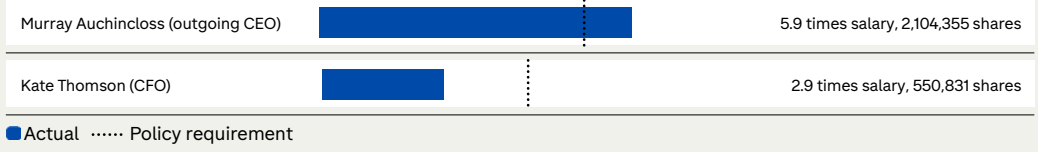
Application of discretion

The committee may exercise discretion in determining the outcomes of the annual bonus and performance shares, reflecting the broader stakeholder experience during the performance period. For 2025, downward discretion was applied and the 2025 ACB has been reduced by 4 points. Further details of the application of discretion have been set out on **page 101**.

Alignment with shareholders

Share ownership

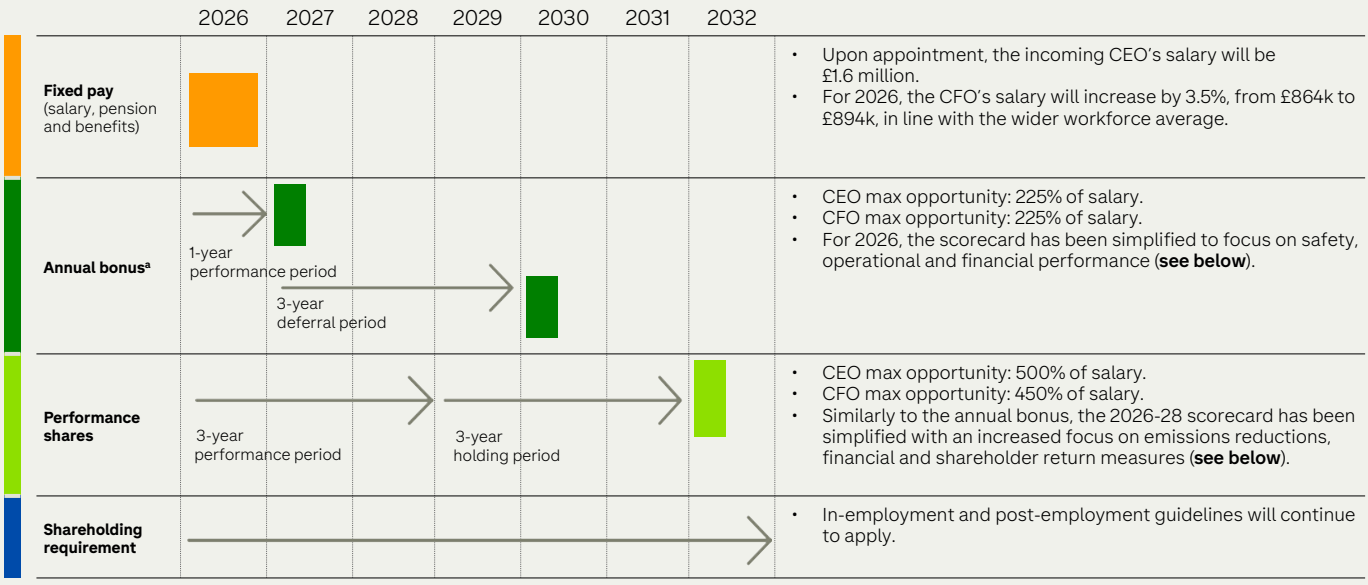
Share ownership aligns the interests of executive directors with those of shareholders.



 ★ See glossary on **page 375**

Application of remuneration policy for 2026

Set out below is an illustration of how the remuneration policy will be implemented for 2026.



- Upon appointment, the incoming CEO's salary will be £1.6 million.
- For 2026, the CFO's salary will increase by 3.5%, from £864k to £894k, in line with the wider workforce average.

- CEO max opportunity: 225% of salary.
- CFO max opportunity: 225% of salary.
- For 2026, the scorecard has been simplified to focus on safety, operational and financial performance (**see below**).

- CEO max opportunity: 500% of salary.
- CFO max opportunity: 450% of salary.
- Similarly to the annual bonus, the 2026-28 scorecard has been simplified with an increased focus on emissions reductions, financial and shareholder return measures (**see below**).

- In-employment and post-employment guidelines will continue to apply.

a Half the bonus is paid in cash, and half is deferred into bp shares for three years until 'minimum shareholding requirement' is met. At this point, 67% is paid in cash and 33% is deferred into bp shares.

Alignment of 2026 variable remuneration with strategy

Each year, the committee sets a remuneration framework for executive directors that supports and incentivizes the execution of our strategy. For 2026, the scorecards have been simplified to reflect our business priorities, supported by strong safety and operational performance, with financial measures at the forefront. Further details on the rationale for their inclusion can be found on **pages 109-110.**

Annual bonus	Strategy (upstream, downstream, transition)	Primary targets	KPIs
Safety (15%)			
Tier 1 and tier 2 process safety events★	●		●
Financials and operations (85%)			
bp-operated reliability★ and availability★	●		●
Structural cost reductions★ ($bn)	●	●	●
Modified free cash flow★ ($bn)			●
Performance shares			
Cumulative reduction % in operated carbon emissions (20%)			●
Adjusted free cash flow CAGR★ (25%)		●	●
ROACE★ (25%)		●	●
Relative TSR (30%)			●

→ Strategy and primary targets page 8, KPIs page 14