bp Annual Report and Form 20-F 2025







Board activities: promoting long-term sustainable success

In 2025, the board and its committees held regular meetings as needed, to address business requirements. Agendas were set in advance by the chair, CEO, and company secretary, focusing on four pillars of strategy, performance, people, and governance. The board's activities, supported by its committees, spanned each of these pillars. In 2025 this included visits to bp Washington DC, US and the Whiting refinery in Chicago, US, facilitating direct engagement with a range of stakeholders. Highlights are provided below.

Strategy and performance

Strategic direction TCFD

- Worked closely with the CEO and the leadership team to approve a new purpose and reset strategy for bp, as announced in February 2025.
- Established a routine of discussing progress against the primary targets included in the reset strategy with management, including insights into specific areas of the business with the greatest impact on delivery.

Macroeconomics TCFD

- Received regular updates on macroeconomic and geopolitical factors affecting our strategy, plan and performance.

Annual plan

- Reviewed full-year delivery against the 2024 plan and monitored progress against 2025 objectives, enhanced by regular performance insight sessions with leadership from key business areas.
- Reviewed and approved the 2025 annual plan that focused on capital allocation, cost reduction and initiatives to improve the balance sheet and reduce net debt.

Financial frame and distributions

- Reviewed and approved a refreshed financial frame to support the reset strategy, covering capital allocation, a targeted reduction of net debt, and the delivery of resilient shareholder distributions.
- Regularly reviewed performance against the financial frame.
- Regularly reviewed shareholder distribution options in alignment with the financial frame.

Capital expenditure

- Received an update from the CEO at every board meeting covering projects across all bp's businesses and, where appropriate, climate-related considerations.TCFD These updates included any inorganic acquisition or divestment opportunities of more than $1 billion.

Mergers and acquisitions pipeline

- Regularly reviewed divestment opportunities in support of the net debt target set out as part of the reset strategy.
- Reached a final investment decision for the Tiber and Guadalupe projects in the Gulf of America, approving bp's second new production platform in less than two years.
- Approved the divestment of bp's majority interest in *Castrol*.

Acquisition reviews

- Evaluated progress on the integration of transition businesses, Archaea Energy and TravelCenters of America. TCFD

Offsites

- Board members visited three US sites: Whiting refinery, bpx energy operations in Denver and bp Washington DC.

Technology

- Received an update on progress and delivery of the technology functional reorganization, digital transformation programme, the continued development and impact of strategic partnerships and priorities for 2026.
- Participated in deep-dive sessions on the use of breakthrough imaging and robotic automation, and the deployment of generative artificial intelligence solutions across bp businesses.

Safety and sustainability TCFD

- Routine reviews of safety performance undertaken, including measurement against targets and ad hoc reporting, as required.
- Focused the sustainability aims on those most relevant to the long-term success of our businesses and to our net zero ambition.

Principal risks

- Analysed trends and themes arising from risk management processes.
- Performed mid-year and full-year reviews of bp's principal and emerging risks, including those related to climate (see **page 127**). TCFD

Internal controls

- Evaluated the group's internal control and risk management systems as part of the review and approval of the *bp Annual Report and Form 20-F*.
- Routinely received reports from group risk and internal audit – no specific concerns were identified and the board concluded that the systems remain resilient, fit for purpose, and aligned with external expectations (see how we manage risk on **page 60** and bp's system of internal control on **page 127**).

Board activity highlights

January and February:

- Board meeting, virtual.
- Board and committee meetings (audit; people, culture and governance; remuneration; and safety and sustainability) including Q4 results, London, UK.

March and April:

- Board and committee meetings (audit and remuneration) including Q1 results, virtual.
- 2025 Annual General Meeting, Sunbury, UK.
- Workforce engagement session with employees from the US and UK.

May and June:

- Board and committee meetings (audit; people, culture and governance; remuneration; and safety and sustainability), Washington DC, US.
- Visit to Whiting refinery, US.
- Workforce engagement sessions with employees from Brazil; Canada; Gulf of America; US; and UK.

★ See glossary on **page 375**

People

Engagement

- Undertook the board's workforce engagement programme (WFEP), using it to bring employee feedback into the boardroom to allow for board decisions to be better informed of stakeholder views (see **page 80**).
- Through the board's site visits, directors met with high-potential employees to improve visibility and profile of the executive succession pipeline and to increase director interaction with the workforce in those locations (further information on in-person site visits on **page 80**).

Culture

- Received feedback from Pulse employee surveys, agreeing actions and initiatives in response.
- Reviewed the annual ethics and compliance report, and the function's priorities and objectives.

Succession planning

- Supported by the people, culture and governance committee, the board received updates on succession plans for the board (see **page 90** for further information on board succession).
- Undertook a review of leadership development initiatives, including succession plans for the bp leadership team.



Image: Members of the board at our Canary Wharf office, London, UK

Governance

Board composition and director changes

- Following a comprehensive selection process, appointed:
  - Albert Manifold as non-executive director with effect from 1 September 2025 and as chair of the board and chair of the people, culture and governance committee with effect from 1 October 2025.
  - Ian Tyler as a non-executive director and member of the remuneration committee with effect from 1 April 2025, and as chair of the remuneration committee with effect from 17 April 2025.
  - Dave Hager as a non-executive director with effect from 2 June 2025, and as a member of the safety and sustainability committee with effect from 10 December 2025.
  - Simon Henry as a non-executive director with effect from 1 September 2025.
  - Carol Howle as interim CEO with effect from 18 December 2025 and Meg O'Neill as CEO with effect from 1 April 2026.

Corporate governance framework

- Considered the corporate governance framework, including the terms of reference for the board and each committee.

Director training and knowledge sessions

- Completed online training on topics including the code of conduct and cyber security.

Board performance review

- Conducted an internally facilitated board and committee performance review led by the chair and company secretary (see **page 90**).

Investor engagement

- The chair, executive directors, senior independent director, remuneration committee chair, company secretary and members of senior management engaged with investors through meetings, roadshows, quarterly results calls, presentations and the Annual General Meeting. Reports on such engagement was shared with the full board.

Key: TCFD Recommendations and Recommended Disclosures

Board activity highlights

July and August:

- Board and committee meetings (audit; people, culture and governance; remuneration; and safety and sustainability), including Q2 results, London, UK.
- Visit to bpx energy, Denver, US.
- Workforce engagement session with employees from Greece; Hungary; Spain; UK; and US.

September and October:

- Board and committee meetings (audit; remuneration; and safety and sustainability) London, UK.
- Visit to bp supply, trading and shipping floor, London, UK by the audit committee.
- Workforce engagement sessions with employees from India; Malaysia; and UK.

November and December:

- Board and audit committee meetings, including Q3 results, virtual.
- Board and Committee meetings (people, culture and governance; remuneration; audit and safety and sustainability) London, UK.
- Workforce engagement sessions with employees from Hungary; India; UAE; and UK.

Our stakeholders

Directors regularly engage with a wide range of stakeholders to gain different insights, giving the board a more rounded perspective in support of the decisions it takes. This engagement helps the directors fulfil their statutory duties and build greater trust inside and outside of bp. It also helps improve the board's understanding of stakeholder views on bp's strategy, performance, operations and governance – all in support of the long-term success of the company.



Image: Members of the board during their tour of Whiting refinery, US

Stakeholders key

- Investors and shareholders
- Customers
- Workforce
- Governments and regulators
- Partners and suppliers
- Society

Our Section 172(1) statement describes how the directors have had regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006; see **page 71**.

Further information on the board's activities and key decisions, including how stakeholder interests have been considered, can be found on **pages 78-80** and **page 81**.

Fostering mutual understanding

The board's approach to stakeholder engagement allows for a better understanding of matters that are important and relevant to the decisions it takes and to support the delivery of bp's strategy.

For the non-executive directors (NEDs), one of the key mechanisms for engagement with colleagues is the workforce engagement programme (WFEP). NEDs participate in roundtable sessions with selected individuals on a specific topic. In 2025 these sessions included safety, culture, remuneration and technology.

To engage bp colleagues, directors were involved in bp's webcasts during the year. Additionally, on becoming chair of bp, Albert Manifold gave a video message to introduce himself to bp employees and set out his priorities.

bp's financial and operational performance was an important topic for both investors and the workforce in 2025, with directors seeking to enhance each group's understanding of the factors affecting the company's overall performance through their engagements.

Promoting balanced perspectives

In 2025 board engagements included eight WFEP sessions, and meetings with local businesses, partners, governments and regulators from key jurisdictions.

The audit committee participated in a floor walk of the supply, trading & shipping function at bp's Canary Wharf site in the UK.

Several director engagements were held with leadership teams from Archaea Energy, bpx energy and the Gulf of America, in addition to a dedicated session with the US leadership team as part of the board programme in May.

In addition to the AGM, results calls, roadshows, one-to-one and group meetings with investors in 2025, bp held a retail shareholder engagement event, hosted by the company secretary. Feedback from this event was used by the board to inform future investor engagements. As with all shareholder engagement activity, including votes received from shareholders at the AGM, the feedback received is taken into account in helping to inform board discussion and debate and areas of particular focus for management.

Delivery of strategy guided by stakeholder perspectives

The bp strategy reset announced in February 2025 was developed following a comprehensive stakeholder engagement programme undertaken throughout 2024. In 2025 the board's focus was on overseeing management's performance in its delivery of the strategy.

→ See more on key decisions, page 81

Building trust in bp

Two themes for the board in helping to maintain and enhance organizational trust continue to be safety performance and culture.

On safety, directors gained valuable insights from employees, suppliers and partners as part of board meetings, company-wide engagements and site visits. Examples in 2025 included presentations by refining, bpx energy and Gulf of America on safety plans and performance. Notably, the safety and sustainability committee's visit to the Whiting refinery in the US provided direct insights on the site's approach to safety, operational reliability and its ongoing commitment to continuous performance improvement.

Related to culture, feedback was shared on progress against bp's organizational transformation. The Pulse employee engagement survey reports and OpenTalk reports (bp's whistleblowing service) continue to be a feature of board discussions. Looking to the future of bp, the board reviewed the talent pipeline and leadership development. Board member participation in the bpChallenge, bp's flagship early-careers event, offered valuable perspectives into the company's talent development programme. For more on culture see **page 90.**

Opportunities for collaboration

By attending meetings and events with external stakeholders, and bp's partners and suppliers, the board gained insight into market trends and development opportunities.

Engagements with governments and regulators, together with consideration of wider society's interests, focused on long-term, sustainable value. For example, capital investment (Argos expansion in US Gulf of America), and portfolio growth opportunities (Egypt, Trinidad and Tobago, Mauritania and Senegal).

bp's success in collaboration with partners has led to several joint venture discoveries, including in Namibia's Orange Basin and Gajajeira-01 in Angola. A key highlight in 2025 was the Bumerangue (Brazil) discovery – the biggest for bp in 25 years.

Benchmarking progress

Stakeholder engagement enhances the board's ability to benchmark our progress against peers and to innovate, ultimately benefiting our shareholders, workforce, customers, suppliers and business partners, and the communities where bp operates.

Key decisions

Section 172 of the Companies Act 2006 requires directors to act in a way they believe will promote the success of the company for the benefit of its shareholders. The directors are required to consider the long-term impact of their decisions, the interests of employees, relationships with stakeholders, the community and environment and maintain high standards of business conduct. Set out below are four of the key decisions taken by the board during 2025 reflecting the directors' consideration of these requirements.

Strategy and performance TCFD

In support of the strategy reset, announced in February 2025, the board approved a refreshed financial frame with four primary financial targets: growing free cash flow, increasing the cost reduction target, reducing net debt and generating higher returns on investment. Five focused sustainability aims were also approved: net zero operations, net zero sales, people, biodiversity, and water.

Having taken these decisions, the board wanted to closely monitor and oversee the implementation of the reset strategy and the delivery of the primary targets. During 2025, the board engaged in an extensive dialogue with the bpLT, with more granular reporting reviewed at every board meeting. This approach was supplemented by a programme of insight sessions where the leaders of the businesses with the greatest potential impact on delivery of the targets provided deeper insight on their plans and targets and tools that could be used to mitigate any risk to delivery into those business areas.

The board, through the remuneration committee, sought to achieve alignment of performance measures for the group's long and short-term incentive arrangements with the reset strategy, ensuring that the four primary financial targets form part of the basis for internal performance management and remuneration outcomes through to 2027.

Stakeholders considered



Leadership transition

After more than three decades with bp, Murray Auchincloss informed the chair of his openness to step down as CEO were an appropriate leader identified who could accelerate delivery of bp's strategy. A committee of the board was established and undertook a comprehensive search process which led to the appointment of Meg O'Neill as CEO with effect from 1 April 2026, with Carol Howle serving as interim CEO from 18 December 2025 until Meg's appointment takes effect.

When reviewing the recommendations from the committee to appoint Meg, the board considered how the leadership transition could accelerate bp's strategic vision to become a simpler, leaner, and more profitable company, and created an opportunity to make the necessary transformative changes to maximize value for shareholders.

The board considered Meg to be the most appropriate candidate given her proven track record of driving transformation, growth, and disciplined capital allocation. Her relentless focus on business improvement and financial discipline positions her well in leading bp through its next phase of growth.

Stakeholders considered



Expanding production capacity

In September 2025 the board took a final investment decision (FID) for a seventh operated oil and gas production hub, Tiber-Guadalupe, in the US Gulf of America. The new hub, which features a floating production platform and includes six wells in the Tiber field and a two-well tieback from the Guadalupe field, is expected to have a production capacity of 80,000 barrels of oil per day. Production is expected to start in 2030.

In reviewing the FID proposal, the board considered how existing platform and subsea equipment designs could be utilized to drive cost efficiencies across the production hub's construction, commissioning and operations. The board concluded that the hub's strategically advantaged location, ability to deploy enhanced high-pressure drilling technology and synergies identified from using more than 85% of the design from bp's Kaskida project (another board-approved oil and gas production hub in the Gulf of America, announced in July 2024) combined to make a strong economic case for sanctioning this project.

Stakeholders considered



Castrol divestment approval

In December 2025 the board approved the sale of a 65% shareholding in *Castrol* to Stonepeak, at an enterprise value of $10.1 billion. This represents an implied EV / LTM EBITDA of around 8.6x reflecting the strength of the business and future growth potential.

The decision followed a comprehensive strategic review of *Castrol*, through which the board considered how the transaction would accelerate delivery of bp's reset strategy, including focusing the downstream, and strengthening the balance sheet. With the transaction expected to generate approximately $6.0 billion in net proceeds for bp upon completion, the board decided to fully utilize the proceeds to reduce net debt. Completion is anticipated by the end of 2026, subject to regulatory approvals. The board decided to retain a 35% interest in the new joint venture, providing continued exposure to *Castrol*'s growth while maintaining the option to divest its remaining stake after a two-year lock-up period.

Stakeholders considered

