bp Annual Report and Form 20-F 2025







Interim chief executive officer's letter



Dear fellow shareholders,

As interim CEO, I want to thank our teams for their outstanding commitment through a period of transition for bp. Operational performance in 2025 was consistently strong and we made significant progress following the resetting of our strategy.

Our new chair, Albert Manifold, has set us a challenge to fulfil bp's true potential – and I know the team will rise to this. We're focused, we're in action, we're determined to make bp the strongest it can be, and we look forward to welcoming Meg O'Neill as CEO in April 2026.

Safety comes first

Tragically, in 2025, four people died while working in our US retail business. Three were employees in our TravelCenters of America business. Two of them were killed in separate incidents where they were struck by passing vehicles as they carried out emergency roadside assistance, highlighting the complex range of risks faced across our business. In response, this service on active highways has been permanently withdrawn to protect our employees. The fourth was a contractor, in our *Thorntons* business. Our thoughts are with their families, friends and colleagues.

In the high-hazard industry we work in, nothing is more important than safety. We seek to learn from every incident, no matter how big or small – and we expect everyone in bp to work safely. On process safety, we made strong progress, with 29% fewer combined tier 1 and 2 process safety events★ in 2025, but we have much more to do.

It is important to say that safety is more than robust controls and systems. It is also about having a culture where every decision reflects care in our work – and care for others. Day in, day out, we must continue to work towards our goal: eliminating fatalities, life-changing injuries and the most serious process safety incidents.

Financial and operating performance

In 2025 we delivered a strong underlying financial performance with an underlying RC profit★ of $7.5 billion[a], despite a weaker price environment, and operating cash flow★ of $24.5 billion.

We also had a strong operational performance across bp.

In 2025 we:

- Delivered record upstream plant reliability★ and refining availability★, with both above 96%.
- Produced 2.3 million barrels of oil and gas a day, beating our guidance at the start of 2025.
- Started up seven major projects★ safely, five ahead of schedule.
- Made 12 discoveries – including bp's biggest offshore discovery in 25 years, Bumerangue in Brazil.
- Increased our proved reserves replacement ratio★ to 90% – up from an average of around 50% in the previous two years.

Strategic progress

We took decisive action to high-grade our portfolio and strengthen our company in 2025, including our $20 billion disposal programme and the subsequent decision to suspend the share buyback and fully allocate excess cash★ to our balance sheet. These are choices designed to position us for long-term growth.

We also made progress on our four primary targets, increasing adjusted free cash flow★ by around 55%[bcd] in 2025 and returns (ROACE★) to around 14%[bde], both on an adjusted price basis. We reduced net debt★ to $22.2 billion[f] and made progress strengthening our balance sheet, achieving $2.8 billion[g] of our $4-5 billion structural cost reduction★ target, which we have now increased to $5.5-6.5 billion[h].

In addition, we have announced or completed over $11 billion of divestments in the first year.

Looking forward and thanks

bp is a great company with huge potential. We have outstanding technology and engineering skills, excellent resources and exceptional global partnerships. And, most of all, we have brilliant people whose performance across the year was key to producing strong results.

It is an honour to represent bp as interim CEO, and the leadership team and I look forward to the year ahead. My deepest thanks go to our teams, our partners and our owners. We are grateful for your support and your challenge, and together, under Meg's leadership, we will make bp go from strength to strength.



Carol Howle
Interim chief executive officer
6 March 2026

Nearest IFRS-equivalent measures

$0.1bn

profit for 2025 attributable to bp shareholders[a]

(10)%

Operating cash flow less total capital expenditure★ in 2025 vs 2024[cd]

0.1%

profit for 2025 attributable to bp shareholders divided by total equity at 31 December 2025[de]

$58.0bn

finance debt at the end of 2025[f]

a Underlying RC profit for the group is a non-IFRS measure and its nearest IFRS equivalent measure is profit for the year attributable to bp shareholders.
b This is on a price adjusted basis and is assuming a hypothetical price environment of $70/bbl Brent, $4/mmBtu Henry Hub, and $10.3/bbl refining indicator margin (all 2024 real) and assumptions about the impact of these marker prices on underlying replacement cost profit before tax.
c Adjusted free cash flow on a price adjusted basis is a non-IFRS measure. The nearest IFRS equivalent measures to calculate adjusted free cash flow on a price adjusted basis CAGR are net cash provided by operating activities of $24.5 billion for 2025 and $27.3 billion for 2024 and total cash capital expenditure of $14.5 billion for 2025 and $16.2 billion for 2024. A reconciliation is provided on page 387.
d This does not form part of bp's Annual Report and Form 20-F as filed with the SEC.
e ROACE on a price adjusted basis is a non-IFRS measure. The nearest IFRS measures of the numerator and denominator are profit for 2025 attributable to bp shareholders of $0.1 billion and total equity at the end of 2025 of $74.0 billion respectively. A reconciliation is provided on page 385.
f Net debt is a non-IFRS measure and its nearest IFRS equivalent measure is finance debt at the end of 2025. See Note 27 for more information.
g Cumulative structural cost reduction since 2023, of which $2 billion in 2025 and $750 million in 2024. Structural cost reduction is decreases in underlying operating expenditure★. A reconciliation is provided on page 386.
h Following the outcome of the strategic review of *Castrol*, which resulted in the decision to divest a 65% shareholding, the $4-5 billion structural cost reduction target by end 2027, introduced at the February 2025 Capital Markets Update, has increased.