bp Annual Report and Form 20-F 2024

Growing shareholder value

We are fundamentally resetting bp's strategy. We are reallocating capital to drive growth from our highest returning businesses. And we are focused on driving improved performance.

This is all in service of growing long-term shareholder value.

We believe bp has a compelling investor proposition, sustainably delivering long-term shareholder value through the energy transition, see **page 19**.

Our reset strategy

We plan to grow the upstream, focus the downstream and invest with discipline in transition, see **page 8**.

Navigating this report

Read more on another page of this report

Read more online

Task Force on Climate-related Financial Disclosures (TCFD)
Information that supports TCFD Recommendations and Recommended Disclosures in relation to Metrics and Targets is indicated with TCFD.

Glossary
Words and terms marked with ★ are defined in the glossary on **page 351**

More information

Online quick read
A concise summary of the *bp Annual Report and Form 20-F 2024*, highlighting strategy, performance and sustainability information.

bp.com/annualreport

Online reporting centre
All our bp corporate reports, including the *bp Sustainability Report* and the *bp Energy Outlook*.

bp.com/reportingcentre

2024 at a glance

As at 31 December 2024

Scale

100,500[a]
employees
(2023 87,800)

61
countries of operation
(2023 61)

2.4
million barrels of oil equivalent – upstream★ production
(2023 2.3mmboe/d)

>39,000
electric vehicle charge points★
(2023 >29,000)

21,200
retail sites★
(2023 21,100)

Performance

$0.4bn
profit for the year attributable to bp shareholders
(2023 $15.2bn)

$8.9bn ●
underlying replacement cost (RC) profit★
(2023 $13.8bn)

95.2% ●
bp-operated upstream plant reliability★
(2023 95.0%)

94.3% ●
bp-operated refining availability★
(2023 96.1%)

2,950
strategic convenience sites★
(2023 2,850)

8.2GW
developed renewables to FID★ (net)
(2023 6.2GW)

$6.17/boe ●
upstream unit production costs★
(2023 $5.78/boe)

Safety and sustainability

38 ●
tier 1 and 2 process safety events★
(2023 39)

$33.6MtCO_2e$ ●
GHG emissions – operational control
(2023 $32.1MtCO_2e$)

Key
● Key performance indicator, **page 14**

a This figure reflects new acquisitions and companies we have taken full ownership of including bp bioenergy and Lightsource bp.

★ See glossary on **page 351**

About bp

We are an integrated energy company, one of only a few that can deliver energy at global scale through a decades-long energy transition.

We are in action to grow shareholder value, strengthen bp and build our resilience to deliver energy to the world, today and tomorrow.

We have operations in Europe, North and South America, Australasia, Asia and Africa.

Our purpose

Our purpose is to deliver energy to the world, today and tomorrow.

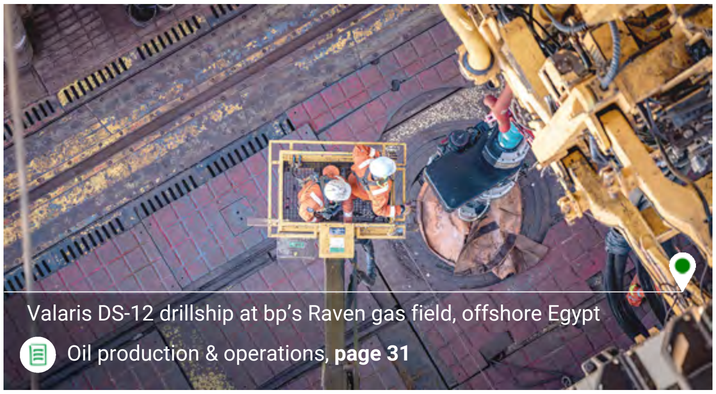
Who we are

'Who we are' defines what we stand for at bp, building on our best qualities and those things that are most important to us. It comprises three simple beliefs that can inspire each of us at bp to be our best every day: live our purpose, play to win, care for others.

bp.com/ourbeliefs

Block 61 Khazzan gas field in Oman

Gas & low carbon energy, **page 28**



Valaris DS-12 drillship at bp's Raven gas field, offshore Egypt

Oil production & operations, **page 31**

Financial reporting segment performance

At 31 December 2024, the group's reportable segments were gas & low carbon energy, oil production & operations and customers & products. Each is managed separately, with decisions taken for the segment as a whole, and represents a single operating segment that does not result from aggregating two or more segments (see Financial statements – **Note 5**).

Gas & low carbon energy[a]

Comprises our gas & low carbon energy businesses. Our gas business includes regions with upstream activities that predominantly produce natural gas, integrated gas and power, and gas trading. Our low carbon business includes solar, offshore and onshore wind, hydrogen and carbon capture and storage (CCS), and power trading. Power trading includes trading of both renewable and non-renewable power.

$3.6bn

replacement cost (RC) profit before interest and tax[b]
(2023 $14.1bn)

$6.8bn

underlying RC profit before interest and tax★
(2023 $8.7bn)

Segment performance, **page 28**

Oil production & operations[a]

Comprises regions with upstream activities that predominantly produce crude oil, including bpx energy.

$10.8bn

RC profit before interest and tax[b]
(2023 $11.2bn)

$11.9bn

underlying RC profit before interest and tax
(2023 $12.8bn)

Segment performance, **page 31**

Customers & products

Comprises customer-focused businesses, which include convenience and retail fuels, EV charging, as well as *Castrol*, aviation and B2B and midstream. It also includes our products businesses, refining & oil trading, as well as our bioenergy[c] businesses.

$(1.6)bn

RC loss before interest and tax[b]
(2023 profit $4.2bn)

$2.5bn

underlying RC profit before interest and tax
(2023 $6.4bn)

Segment performance, **page 33**

Other businesses & corporate

Comprises technology; bp ventures; our corporate activities and functions; and any residual costs of the Gulf of America oil spill.

$(1.0)bn

RC loss before interest and tax[b]
(2023 loss $(0.9)bn)

$(0.6)bn

underlying RC loss before interest and tax
(2023 loss $(0.9)bn)

Segment performance, **page 36**

The *Gigahub* EV charging hub at the NEC in Birmingham, UK

Customers & products, **page 33**

bp's Xazar Centre office in Baku, Azerbaijan

Other businesses & corporate, **page 36**

a The Azerbaijan-Georgia-Türkiye and Middle East regions have been further subdivided by asset.
b IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the chief operating decision maker. For bp, this measure of profit or loss is replacement cost profit before interest and tax, which reflects the replacement cost of inventories sold in the period and is arrived at by excluding inventory holding gains and losses★ from profit before interest and tax. Replacement cost profit for the group is not a recognized measure under IFRS. For further information see Financial statements – Note 5.
c In February 2025 bp announced its intention to move its biogas business to the gas & low carbon energy segment.

Chair's letter

Dear fellow shareholders,

Chief executive transition

The world bp operates in continues to change at pace. The past year has seen numerous elections, complex geopolitics and ongoing conflict, as well as significant climate events. At the same time, there has been progress in AI and technology and some signs of growth and prosperity in emerging economies. As a result, energy demand continues to rise with the supply of oil and gas, and renewable energy, reaching an all-time high.

For bp, there was leadership change, with a new CEO and CFO, and 2024 was a year of reshaping the portfolio and laying the foundation for growth and sustainable shareholder returns. Under Murray Auchincloss's leadership, bp has made significant moves, continuing to play its part in supplying the energy the world needs today and helping build out the energy system of tomorrow. We strengthened our oil and gas portfolio, expanded in biogas and bioenergy, and focused our hydrogen and wind projects – all leading to the fundamental strategy reset announced at our Capital Markets Update in February 2025.

Performance

Safety continues to be at the forefront of everything bp does, and the board and I would again like to recognize bp's teams for their work to reduce the most serious process safety incidents. This requires constant vigilance, robust processes and a willingness to speak up and act.

However, whether it is on the front line or on the board, bp can never take safety for granted. We were tragically reminded of this in October 2024 by the fatality in our bp bioenergy business in Brazil.

Many of bp's businesses performed well, including higher upstream★ production and strong plant reliability★, but it was a difficult year in parts of our customers & products business, particularly in refining. bp cannot control a tough price environment but it can address underlying performance – and the board believes that the comprehensive update of our strategy that we announced in February, combined with strong performance management processes, will help bp to do this.

Strategy reset

A lot has changed since we launched our strategy in 2020 – and bp has learned a lot. The pandemic has altered consumer behaviour, geopolitical tensions have increased the focus on security of supply, and although energy demand has risen to a high point, overall, growth has been weaker. Globally, inflation and rising interest rates have had an impact on the economics of major projects, particularly low carbon investments.

Because of all these factors, combined with our engagement with our shareholders and other important stakeholders, we reworked our strategy. Murray sets out how on the next page.

This is a new direction for bp. The board has worked closely with Murray and his leadership team throughout this reset, which has our full support. The reset builds on bp's distinctive strengths, learns from its challenges and represents deliberate choices and a conviction about the way forward. The next steps are clear. Now is about rigorous performance, and the board has an important role to play in overseeing the delivery of the strategy we have set out.

Culture and values

The board believes that the changes bp is making are positive and necessary for the future of the company, but we know change itself can be unsettling. This makes it more crucial than ever that bp maintains a strong culture and strong values. bp is rigorous about operational and safety processes, and must continue to be rigorous about care for others, our speak-up culture and psychological safety. As a board, we provide oversight and constructive challenge, and in doing so we routinely monitor bp's culture. I say more about this in the governance section on **page 70**.

Closing thanks

Thank you, particularly to bp's owners and bp's teams, in a year where bp has faced numerous challenges and worked hard to improve its performance and focus the organization. We are grateful to everyone who has given us their time, expertise, support – and challenged us too. This is your company and we believe it is now set to grow – and win – in a changing energy market.

Helge Lund
Chair
6 March 2025

Chief executive officer's letter

Dear fellow shareholders,

We've been in action throughout the past year materially reshaping bp's portfolio and laying the foundations for February's Capital Markets Update. This fundamental reset of our strategy demonstrates a clear focus on actions to drive performance improvement and grow cash flow and returns for bp's shareholders.

Safety first

In 2024, we made progress on safety, reducing the number of combined tier 1 and 2 process safety events★ for a second year in a row, with the most serious tier 1 events down significantly – but we have more to do. Our goal is to eliminate fatalities, life-changing injuries and the most serious process safety incidents. Tragically, one person died while working in our newly acquired bp bioenergy business in Brazil in October 2024. We must continue to embed and reinforce our Operating Management System★, Lifesaving Rules and Safety Leadership Principles across bp (see **page 56**). Nothing matters more than safety.

Financial and operating performance

We delivered strong performance in some areas in 2024 but had some challenges in others. For example, our upstream★ production was 2% higher than in 2023, and plant reliability★ was strong at over 95%, but there were difficulties in refining. Margins were lower and the power outage at Whiting in the first quarter contributed to a dip to 94.3% in our refining availability★.

This contributed to earnings of $38 billion[a] (adjusted EBITDA★) in 2024 and operating cash flow★ of $27.3 billion and resulted in:

- Profit for the year attributable to shareholders of $0.4 billion.
- Underlying replacement cost profit★ of $8.9 billion.
- Return on average capital employed★ of 14.2%[b].
- And net debt★ of $23 billion[c].

This allowed us to raise the dividend per ordinary share by 10% and announce $7 billion of share buybacks for the year.

Reshaping the portfolio

We've done more to reshape bp's portfolio in the last 12 months than in any year in the past 20 years. We started up a major project★ and sanctioned 10. We agreed new access in regions we know well, including in Iraq and India – at material scale. We formed a new joint venture, Arcius Energy, to develop gas in the Middle East with ADNOC's investment arm XRG. And we announced plans for JERA Nex bp, joining forces with one of the world's major power companies to create a leader in offshore wind development – and helping to grow the scale of the business in a capital-light way for bp. We also now own 100% of bp bioenergy, one of the top-three sugarcane bioethanol producers in Brazil, and Lightsource bp, one of the world's leading solar developers. And we're investing with discipline in hydrogen and carbon capture, sanctioning four projects in 2024.

At the same time, we introduced our target to deliver at least $2 billion of savings[d] by the end of 2026, relative to 2023. We made strong progress on this, achieving structural cost reduction★ of $0.8 billion since the start of 2024.

Growing shareholder value

Having laid the foundations, we have fundamentally reset our strategy. This is a new direction. We've drawn on everything we've learned since 2020, while reflecting substantial changes to the external environment and using our deep-seated industrial skills and experience. The key elements are:

- First, a growing upstream. We're increasing planned investment by 20% to around $10 billion a year in oil and gas to help build more higher-returning major projects and increase exploration.
- Second, a focused downstream. We're focusing our portfolio around core integrated positions and taking action to improve performance. We expect to invest around $3 billion by 2027.
- Third, investing with discipline in the transition. We plan to pursue fewer and higher-returning opportunities, and access growth more efficiently. We now expect to invest between $1.5-2.0 billion per year into transition businesses★ through 2027[e] – more than $5 billion lower per year than our previous guidance.

All while continuing to drive value through our distinctive strengths in trading, technology and partnerships. And we are now guided by a more focused set of sustainability aims, the ones most relevant to our net zero ambition and the long-term success of bp (see **page 38**).

Thank you

There are very few companies of scale that can adapt at pace with society to meet demand from countries, companies and customers for more energy and lower carbon products. bp is one of them. I'm excited about our new direction and the significant opportunity we have to grow value for our shareholders.

I want to thank our brilliant team for their hard work, commitment and resilience through a period of extensive change. I also want to thank you, the owners of our business, for continuing to put your trust in our company.

Murray Auchincloss
Chief executive officer
6 March 2025

Nearest IFRS-equivalent measures

$1.2bn

profit for 2024[a]

0.5%

profit for 2024 attributable to bp shareholders divided by total equity at 31 December 2024[b]

$59.5bn

finance debt at the end of 2024[c]

a Adjusted EBITDA for the group is a non-IFRS measure and its nearest IFRS-equivalent measure is profit for the year 2024.
b ROACE is a non-IFRS measure and its nearest IFRS measures of numerator and denominator are profit for 2024 attributable to bp shareholders of $0.4 billion and total equity at the end of 2024 of $78.3 billion respectively.
c Net debt is a non-IFRS measure and its nearest IFRS-equivalent measure is finance debt at the end of 2024.
d Target first introduced in bp's first quarter 2024 group results announcement referred to as cash costs savings. Cash costs has the same meaning as underlying operating expenditure★.
e Excludes deferred consideration for 2024 acquisition of bp bioenergy in 2025.

★ See glossary on **page 351**

The operating environment

bp operates across volatile energy markets. Here we discuss broader economic trends we have observed that influence our sector as a whole.

The world economy grew by around 3%[a] in 2024. Growth rates varied widely across economies, with US GDP estimated to have grown by 2.8%[a], much stronger than had been expected at the start of the year[b]. By contrast, the eurozone economy expanded by only 0.8%[a]. China's growth is estimated to have been close to the government's 'around 5%' target[a].

Inflation continued to moderate around the world in 2024, moving towards central banks' target rates in most major economies. Cooling inflation allowed several central banks, including the US Federal Reserve, the European Central Bank and the Bank of England, to cut interest rates. Financial market prices suggest further interest rate reductions are expected during 2025.

Oil

Oil prices were elevated across much of 2024, supported by oil demand growth and OPEC production cuts. Dated Brent averaged $81/bbl[c] in 2024, broadly unchanged from $83/bbl[c] in 2023. A slowdown in Chinese oil demand growth to a quarter of its pre-COVID trend lowered global annual oil demand growth to 0.94mmb/d, causing total oil demand in 2024 to be 102.9mmb/d[d].

The slowdown in demand growth and outperformance of non-OPEC+ supply led to production cuts from OPEC+ in 2024. OPEC+ output averaged 49.8mmb/d in 2024 – around 900kb/d[d] lower than 2023. Saudi Arabia cut its output to just 9.0mmb/d in 2024, over 1mmb/d lower than its levels in the first half of 2023[d]. These reductions were more than offset by strong growth in non-OPEC+ supplies which increased by 1.5mmb/d in 2024[d], with the US accounting for almost half of that increase[d].

Natural gas

A relatively warm European winter in 2023-24 and muted European gas demand caused European and Asian natural gas prices to fall in early 2024. Prices troughed in February but had increased by 70%[e] by the end of December following strong Asian LNG demand growth and weak LNG supply growth.

Industry, power generation and transportation were the main sectoral drivers of that Asian LNG demand growth. European gas demand continued to decline due to lower power demand. Outages and project delays meant global LNG supply grew at a slow pace of 2.5% in 2024[f].

In the US, Henry Hub (HH) gas prices averaged $2.2/mmBtu[g], the lowest price level, in real terms, in the last 25 years. A warm US winter (2023-24) resulted in natural gas stocks 40%[h] above the five-year average by the end of March. Consequently, HH declined to levels needed to incentivize power sector coal-to-gas switching and lower natural gas production. Increases in power demand for air conditioning and data centres aided this rebalancing. The number of US gas rigs in key shale basins declined by 47% from its peak in 2022[i].

Refining marker margin

We use a global refining marker margin (RMM)★ to track the refining margin environment. Global RMM in 2024 continued the downward trajectory from 2023. An increase in refining capacity and a slowdown in demand growth for refined products meant RMM values averaged significantly lower in 2024 at $17.7/bbl ($8.1/bbl lower than in 2023)[j].

Power and renewables

Electricity demand growth continues to outpace total energy demand growth, driven by increasing electrification in developed economies and by growing prosperity and industrialization in emerging economies. Growing demand from data centres looks set to increase electricity demand materially in the coming years.

Total solar and wind capacity additions in 2024 are estimated to have exceeded 600GW, breaking the record set in 2023[k]. This surge was associated with significant overcapacity in solar manufacturing in China.

Bioenergy growth also maintained momentum, with resilient demand for liquid biofuels in road transport, increasing biomethane production, and increasing announced capacity of sustainable aviation fuel projects.

Hydrogen and carbon capture and storage

Persistent high costs, the slow pace of enabling policy and insufficient demand continue to challenge the decarbonization of costlier-to-abate processes with low carbon hydrogen. The project pipeline for production of low carbon hydrogen operational by 2030 remains significant, but only around 4Mtpa[l] is either currently operational or under construction. Green hydrogen★ costs are expected to be higher than those for blue hydrogen★ in many countries through this decade and beyond.

Carbon capture and storage (CCS) is increasingly being recognized as critical to the energy transition, and the global pipeline of CCS projects continued to grow in 2024. Operational and under-construction projects are expected to double to 100Mtpa[m] over the next few years. While this represents progress, the current project pipeline, taking into account relatively low historical success rates, appears insufficient to meet the CCS deployment rates in Paris-consistent transition scenarios[n].

Market activity	2024	2023
Global oil consumption[d]	**102.9mmb/d**	102.0mmb/d[q]
Global oil production[d]	**102.9mmb/d**	102.3mmb/d[q]
Natural gas consumption[f]	**4,212bcm**	4,097bcm[r]
Natural gas production[f]	**4,190bcm**	4,134bcm[r]
Dated Brent average[c]	**$80.76/bbl**	$82.64/bbl
West Texas Intermediate (WTI)★ average[o]	**$75.87/bbl**	$77.67/bbl
Henry Hub average[g]	**$2.19/mmBtu**	$2.53/mmBtu
Dutch Title Transfer Facility (TTF)★ average[e]	**34.4 euros per MWh ($10.9/mmBtu)**	40.5 euros per MWh ($12.8/mmBtu)
Japan-Korea (Asian) LNG average[p]	**$11.9/mmBtu**	$13.8/mmBtu
Refining marker margin[j]	**$17.7/bbl**	$25.8/bbl

a IMF World Economic Outlook, October 2024, measured on a Purchasing Power Parity basis.
b IMF World Economic Outlook Update, January 2024.
c Refinitiv Data Service (Dated Brent spot price).
d IEA Oil Market Report, January 2025.
e Platts Dutch TTF Day Ahead price.
f IEA Gas Market Report, Q1 2025.
g Platts Henry Hub cash price.
h Weekly Natural Gas Storage Report, EIA.
i EIA Short Term Energy Outlook, Appalachia and Haynesville regions.
j The RMM may not be representative of the margin achieved by bp in any period because of bp's particular refinery configurations and crude and product slates. In addition, the RMM does not include estimates of energy or other variable costs.
k *bp Energy Outlook 2024*; IRENA Stats; Wood Mackenzie Global Solar Forecasts. PV capacity additions are converted from DC to AC basis by dividing by ~1.2.
l WoodMac Lens; Hydrogen Project Pipeline data, October 2024.
m WoodMac Lens; CCUS Project Pipeline data, October 2024.
n Projects include capture projects either on a standalone basis or as part of a hub (sharing transport and storage facilities).
o Refinitiv Data Service (West Texas Intermediate).
p Platts JKM spot price.
q This number is restated from the *bp Annual Report and Form 20-F 2023* to reflect revisions made in the IEA Oil Market Report, January 2025.
r This number is restated from the *bp Annual Report and Form 20-F 2023* to reflect revisions made in the IEA Gas Market Report, Q1 2025.

Energy outlook

The *bp Energy Outlook 2024 (2024 Outlook)* explores the trends and uncertainties surrounding the energy transition out to 2050.

The bp Energy Outlook helps inform bp's core beliefs about the energy transition. The scenarios within it explore the possible implications of different judgements and assumptions concerning the nature of the energy transition. The uncertainty associated with the transition is substantial, and these scenarios are not predictions of what is likely to happen or what bp would like to see happen. We use the output from these scenarios to inform our strategic thinking.

We published the *2024 Outlook* in July 2024, designed around two scenarios informed by recent trends and developments in the global energy system. The *2024 Outlook* provides key insights about how the energy system may evolve over the next 25 years.

The two scenarios – Current Trajectory and Net Zero (see 'Two scenarios to explore the energy transition', below) – explore the speed and shape of the energy transition out to 2050 and help to shape a resilient strategy for bp.

Read the *bp Energy Outlook 2024*
bp.com/energyoutlook

A new theme discussed throughout the *2024 Outlook* centres on the challenge of moving from the current 'energy addition' phase of the energy transition to an 'energy substitution' phase. In this second phase, low carbon energy increases sufficiently quickly to more than match increases in global energy demand, allowing the consumption of fossil fuels, and their associated emissions, to decline.

Scenarios for strategic decision making

We use scenarios to inform strategy, manage risk, and improve decision making.

Some of the scenarios are based on climate and other policies currently in force, and on current global aims and pledges around the energy transition. Other scenarios are based on achieving a certain pace or degree of transition, and consider how the energy system might change to achieve that.

In thinking about appropriate scenarios to inform our strategy, we used both approaches.

How scenarios inform our strategy

The use of scenarios described in the *2024 Outlook*, and those from other organizations, aids our understanding of the energy transition and helps us to think about how different outcomes might impact our strategy.

The use of a broad range of scenarios to inform our strategy supports our efforts to make it robust and resilient to the range of uncertainty we face.

By considering various time horizons we can identify key milestones or signposts which might emerge over the next five, 10 or 25 years and inform our view of the key sources of uncertainty affecting the global energy system.

We actively monitor for changes in the external environment and refresh or review the scenarios as needed in response to these signals.

For the purposes of testing the resilience of our strategy to the range of uncertainty in the energy transition, we have used scenarios drawn from other credible sources such as the UN Principles for Responsible Investment (UN PRI) and the International Energy Agency (IEA). Read more on our resilience analysis and the outcome of that work on **page 50**.

How we create scenarios

We quantify a range of scenarios in the *2024 Outlook* using our global energy modelling system. This comprises a suite of models to help us understand the supply and demand dynamics of the global energy system.

The modelling framework uses historical data based on the Energy Institute's Statistical Review of World Energy, the IEA's World Energy Balances data and a range of other data sets.

Each scenario is determined by a set of key assumptions, including population and economic growth, pace of technological change, resource constraints and government policies. These are informed by expert analysis from external organizations including the United Nations, Oxford Economics and Rystad Energy. We benchmark our scenarios against external organizations including the IEA, the IPCC, and S&P Global.

The modelling techniques used vary by sector and include a combination of econometric modelling, adoption curves and consumer choice modelling.

Two scenarios to explore the energy transition

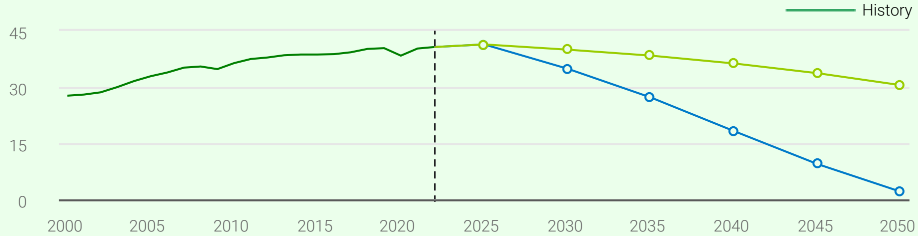
Carbon emissions Gt of CO_2e[a]

Current Trajectory

is designed to capture the broad pathway along which the global energy system is currently travelling. It places weight on climate policies already in force and on global aims and pledges for future decarbonization. At the same time, it also recognizes the myriad challenges associated with meeting these aims. CO_2 equivalent (CO_2e) emissions in Current Trajectory peak in the mid-2020s and by 2050 are around 25% below 2022 levels.

Net Zero

explores how different elements of the energy system might change to achieve a substantial reduction in carbon emissions. In that sense, Net Zero can be viewed as a 'what if' scenario: what elements of the energy system might change, and how, if the world collectively acts for CO_2e emissions to fall by around 95% by 2050.



a Carbon emissions include CO_2 emissions from energy use, industrial processes, natural gas flaring and methane emissions from energy production.

Resetting strategy

Growing upstream	**Focusing** downstream

Disciplined investment in transition

Growing the upstream: our oil and gas business

We plan to increase investment to grow production while also growing cash flow, in addition to disciplined expansion of biogas. Maintaining strong and safe operations throughout.

Focusing the downstream: our customers and products business

We are reshaping the portfolio to focus on markets and businesses where we have advantaged and integrated positions. We have clear actions to drive improved performance, including addressing costs in our customers business, and improving operations in refining.

Investing with discipline in transition

We plan to invest with discipline: with selective investment in biogas, biofuels and EV charging, where we see strong demand growth; adopting innovative capital-light partnerships in renewables; and focusing investment on hydrogen and carbon capture projects to support us in decarbonizing our operations, and position us for growth through the next decade. We now expect capital investment into transition businesses★ to be between $1.5-2.0 billion per year through 2027[a] – more than $5 billion lower per year than our previous guidance.

All while continuing to drive value through our distinctive strengths in trading, technology and partnerships.

Our primary targets

We have set out four primary targets that we will use to measure our progress and how we are improving performance. These targets, alongside the guidance and financial frame (see **page 18**), support our reset. Taken together, we believe our primary targets will underpin growth in the value of bp.

Adjusted free cash flow★ growth

>20%[b]

adjusted free cash flow compound annual growth rate (CAGR)★ from 2024-27

Net debt★

$14-18bn[c]

by end 2027

Structural cost reduction★

$4-5bn

by end 2027

Return on average capital employed (ROACE)★

>16%[b]

in 2027

a Excludes deferred consideration for 2024 acquisition of bp bioenergy in 2025.
b At $70/bbl Brent, $4/mmBtu Henry Hub, and $17/bbl refining marker margin, all 2024 real.
c Potential proceeds from any transactions related to *Castrol* strategic review and announcement to bring a strategic partner into Lightsource bp will be allocated to reduce net debt.

2024 performance

On 26 February 2025 we announced a new strategy and retired our previous strategic pillars, together with the associated strategic targets and aims.

To help stakeholders understand progress against our previous strategy in 2024, we have included the following metrics reported under the previous strategy for the year ended 31 December here[a]. From 2025, we will report annually on our progress delivering the primary metrics shown on **page 8**.

Metrics TCFD	2024	2023
Upstream★ production	2.4mmboe/d	2.3mmboe/d
bp-operated upstream plant reliability★	95.2%	95.0%
Upstream unit production costs★	$6.17/boe	$5.78/boe
bp-operated refining availability★	94.3%	96.1%
Biofuels production★	35kb/d	32kb/d
Biogas supply volumes★[b]	23mboe/d	22mboe/d
LNG portfolio★	23Mtpa	23Mtpa
Strategic convenience sites★	2,950	2,850
Electric vehicle charge points★	>39,000	>29,000
Hydrogen production (net)	–	–
Developed renewables to final investment decision★ (net)	8.2GW	6.2GW
Installed renewables capacity★ (net)	4.0GW	2.7GW

Key

TCFD	TCFD Recommendations and Recommended Disclosures

a In 2024 we revised our strategic targets and aims, retiring customer touchpoints per day.
b Conversion to mboe based on gasoline gallon equivalent (1mmbtu = 8.04 gallons).

★ See glossary on **page 351**

Pursuing a strategy that is consistent with the Paris goals

What we mean by Paris-consistent

The 2019 CA100+ resolution★ requires us to disclose the strategy that the board considers in good faith to be consistent with the Paris goals.

When we refer to 'consistency with Paris' we consider this to mean consistency with the world meeting the temperature goal set out in Articles 2.1(a) and 4.1 of the Paris Agreement on Climate Change★.

The Paris goals, which we support, were restated in the Baku Climate Pact at COP29 in Baku in November 2024.

We believe the world is on an unsustainable path, and the carbon budget to meet the Paris goals is running out.

bp's strategy is informed by these considerations. It is designed to create long-term value for shareholders, while enabling delivery of our net zero ambition. It is tested for resilience to the uncertainty of the energy transition across many different potential pathways, including various Paris-consistent pathways.

In the *bp Annual Report and Form 20-F 2021* we set out, based on **three key principles**, why the board considers our strategy to be consistent with the Paris goals. Here we set out, on the same three grounds, why the board continues to consider this to be the case.

Informed by Paris-consistent energy transition scenarios

The speed and nature of the energy transition are uncertain, and so we consider a range of scenarios from multiple sources including the *bp Energy Outlook 2024* to inform our beliefs about the energy transition and to develop and test our strategic thinking. This helps to reinforce our confidence in the robustness and resilience of our strategy to the range of uncertainty we face.

We are confident that our approach is science-based. We see the Intergovernmental Panel on Climate Change (IPCC) as the most authoritative source of information on the science of climate change, and we use it and other sources to inform our strategy. The IPCC highlights that there are a range of global pathways by which the world can meet the Paris goals, with differing implications for regions, industry sectors and sources of energy.

The *bp Energy Outlook 2024* examined recent developments and emerging trends in the global energy system, exploring the key uncertainties surrounding the energy transition. It included two main scenarios – one of which, Net Zero, we regard as Paris-consistent.

Energy outlook **page 7** and **bp.com/energyoutlook**

Strategic resilience

We believe our strategy positions bp for success and resilience in a Paris-consistent world – a world that is progressing on one of the many global trajectories considered to be Paris-consistent, and ultimately meets the Paris goals.

The strategy diversifies bp's portfolio and business interests, reducing the risk that challenges facing a single business area might adversely affect bp's strategic resilience.

In addition, within the inevitable constraints associated with factors such as long-term capital investments, contractual commitments and organizational capabilities at any given time, bp's ability to maintain its strategic resilience rests, in part, on the governance used to keep the strategy and associated targets and aims under review in light of new information and changes in circumstances.

In our climate-related financial disclosures on **page 50**, we describe how we have conducted an analysis to test our view of the resilience of our strategy, based on the Capital Markets Update presented on 26 February 2025, to different climate-related scenarios. This includes some scenarios that are classified by the World Business Council for Sustainable Development (WBCSD) to be consistent with well-below 2°C and 1.5°C outcomes[a].

As further explained on **page 51**, while the results of any such analysis must be treated with caution overall, this resilience test again reinforced our confidence in the continued resilience of our strategy to a wide range of ways in which the energy system could evolve throughout this decade, including in scenarios consistent with limiting temperature rise to 1.5°C.

The analysis also again highlighted that, while within the WBCSD scenarios lowest oil prices are associated with 1.5°C scenarios, there is considerable uncertainty – demonstrated by the range within, and overlap between, the prices indicated for each scenario family.

In the version of the WBCSD catalogue used for the analysis, the lowest oil price is associated with a 1.5°C scenario; however a number of the 1.5°C and well-below 2°C scenarios have oil prices in 2030 that are substantially higher than these – and when compared to bp's own central case oil price planning assumption for 2030, the oil price in a number of the well-below 2°C and 1.5°C scenarios is also higher.

Taking this into account, the analysis supported our belief that our strategy is financially resilient against the lowest prices associated with a Paris-consistent world in the WBCSD catalogue. This in turn supports our view that our strategy is resilient to such a Paris-consistent world.

a Our 2024 analysis used data from the WBCSD Climate Scenario Catalogue version 3.0, published on 16-05-2024 and downloaded on 13-11-2024.

Contributes to net zero

We believe that our strategy enables bp to make a positive contribution to the world achieving net zero greenhouse gas (GHG) emissions and meeting the Paris goals – outcomes which we believe to be in the best interests of bp as well as beneficial to society generally.

We see huge opportunity in the energy transition – the transformation of the energy system that we believe to be a necessary feature of the world's efforts to meet the Paris goals. There are many ways a company at the heart of the energy sector can make a meaningful contribution to the world getting to net zero. In addition to investing in our transition businesses★, these include: supporting collective action through participation in external initiatives and seeking to use the company's influence with trade associations that conduct climate-related advocacy; low carbon collaboration and support for others in their own decarbonization efforts (such as cities and corporates).

For example, we continue to advocate for policies that support net zero. Helping policymakers to design and put in place low carbon policies that support the transition to net zero can help deliver our strategy and capitalize on the opportunities associated with achieving the Paris goals, but the benefit of such actions, if successful, extends well beyond any implications for bp's own GHG metrics. That is because well-designed low carbon policies can also advance the decarbonization of a whole economy – something potentially of far greater impact than anything a single company can achieve through its own portfolio. We publish examples of our activity online at **bp.com/advocacyactivities**.

Some ways of contributing to helping the world get to net zero are more readily measured by quantitative metrics than others – but all can be important, whether or not they translate into GHG reductions for bp. For example, Lightsource bp operates with a develop, engineer, construct and farm-down business model that creates value through selling majority interests in assets it has developed to strategic partners.

Where Lightsource bp helps bp meet its own demand for cost competitive, low carbon power, including for power trading, EV charging, biofuels and green hydrogen★ this would show up in GHG metrics. However, where we do not directly sell that power, our development of the renewables is effectively 'invisible' in terms of our GHG metrics.

In December 2024, in Teesside, UK, bp and partners reached financial close on the Net Zero Teesside Power (NZT Power) and Northern Endurance Partnership (NEP) projects. The NEP aims to develop the infrastructure to transport and store up to an initial 4MtCO_2 annually from three Teesside-based carbon capture projects within the East Coast Cluster, with the ability to expand in the future.

Where the CO_2 being taken offshore for permanent storage is from local heavy industries this will not show up in bp's GHG metrics.

So while Lightsource bp, NZT Power and NEP projects support the Paris goals by increasing the low carbon options available to energy consumers, not all of their activities will be reflected in the metrics associated with bp's net zero aims.

Responding to increased shareholder interest in Paris consistency

In 2019 the board recommended that shareholders support a special resolution requisitioned by Climate Action 100+ (CA100+) on climate change disclosures. The CA100+ resolution passed with more than 99% of votes cast. This is the sixth year we have included responses throughout the annual report and we have adopted a similar approach to previous years.

The CA100+ resolution, which includes safeguards such as protections for commercially confidential and competitively sensitive information, is on **page 352**. Key terms related to this resolution response are indicated with ★ and defined in the glossary on **page 352**. These should be reviewed with the following information:

Element of the CA100+ resolution	Related content	Where
Strategy that the board considers in good faith to be consistent with the Paris goals.	Our strategy and business model	8 & 12
	Pursuing a strategy that is consistent with the Paris goals	10
How bp evaluates each new material capex investment★ for consistency with the Paris goals and other outcomes relevant to bp strategy.	Our investment process	20
Disclosure of bp's principal metrics and relevant targets or goals over the short, medium and long term, consistent with the Paris goals.	Key performance indicators	14
	Sustainability: net zero aims and targets	38
	See 'TCFD Metrics & Targets' for an overview	55
Anticipated levels of investment in: (i) Oil and gas resources and reserves. (ii) Other energy sources and technologies.	Our strategy	8
	Financial frame: disciplined investment allocation	18
	Investment in non-oil and gas	21
	Transition investment	39
bp's targets to promote operational GHG reductions.	Sustainability: net zero★ aims	38
Estimated carbon intensity of bp's energy products and progress over time.	Sustainability: net zero sales aim★	39
Any linkage between above targets and executive pay remuneration.	Directors' remuneration report	88
	2024 annual bonus outcome	96
	2025 remuneration policy	102

★ See glossary on **page 351**

What makes us different

As an integrated energy company, we believe we have a world-class portfolio – a top-tier oil and gas business in attractive basins, and leading integrated positions and brands across the value chain. All underpinned by distinctive capabilities in trading, technology and partnerships.

Our purpose

Guiding what we do and how we operate.

Our purpose is to deliver energy to the world, today and tomorrow.

Our reset strategy

Our new strategy plays to our distinctive strengths and capabilities.

- Growing the upstream
- Focusing the downstream
- Investing with discipline in transition

Strategy, **page 8**

People and resources[a]

These are some of the people and resources in our business model that support how we create and preserve value for our stakeholders.

Incumbent capability

~11,600
engineers

~1,100
employees on graduate schemes

Sustainability at bp, **page 38**

Research and development

$301m
invested in research and development

~2,200
granted and pending patent applications held by bp and its subsidiaries

page 171

Energy sector experience

>110 years
in energy

~15 years
of *bp Energy Outlook* publications

The operating environment, **page 6**

Financial resources

$16.2bn
capital expenditure★

$27.3bn
operating cash flow★

Group performance, **page 24**

Energy resources

6,248mmboe
proved hydrocarbon reserves for the group[b]

8.2GW
developed renewables to FID★ (net)

Gas & low carbon energy, **page 28**
Supplementary information on oil and natural gas, **page 223**

a Data as at 31 December 2024.
b On a combined basis of subsidiaries and equity-accounted entities. See page 323 for more information on bp's oil and gas reserves.

Our business groups

This is how we are organized to deliver our strategy and deliver long-term shareholder value. Our three business groups are enabled by supply, trading & shipping and supported by five functions: finance; technology; strategy, sustainability & ventures; people, culture & communications; and legal.

Gas & low carbon energy

Integrating our existing natural gas capabilities with power trading and growth in low carbon businesses and markets, including wind, solar, hydrogen and carbon capture and storage.

page 28

Production & operations

The operational heart of bp, producing the hydrocarbon energy and products the world wants and needs – safely and efficiently.

page 31

Customers & products

Focusing on customers as the driving force for innovating new business models and service platforms to deliver the convenience, mobility and energy products and services of today and the future.

page 33

Delivering value for stakeholders[a]

We are committed to delivering long-term value for stakeholders.

Investors and shareholders

Includes our institutional and retail investors.

$5.0bn

total dividends distributed to bp shareholders
(2023 $4.8bn)

Employees

Our 100,500[c] people worldwide.

70%

employee engagement score from the Pulse annual employee survey
(2023 73%)

page 58

Society

The people, businesses and environment in the communities where we work.

$76m

supporting additional initiatives to benefit communities
(2023 $117m)

Customers

Including end-use consumers, B2B customers, and distributors.

2,950

strategic convenience sites★
(2023 2,850)

Governments and regulators

In the countries where we have existing or planned activities.

$10.6bn

corporate income tax and production tax paid
(2023 $11.9bn)

bp.com/tax

Partners and suppliers

Includes relationships with academia, industry and cities.

$146.6bn

in payments to suppliers for goods and services
(2023 $151.7bn)

bp.com/sustainability

c This figure reflects new acquisitions and companies we have taken full ownership of including bp bioenergy and Lightsource bp.

★ See glossary on **page 351**

Key performance indicators

We assess the performance of the group across a wide range of measures and indicators that are consistent with our strategy.

Our key performance indicators (KPIs) provide a balanced set of metrics that give emphasis to both financial and non-financial measures. These help the board and leadership team assess bp's performance. Our leadership team uses these measures to evaluate operating performance and inform its financial, strategic and operating decisions.

Safety

Tier 1 and 2 process safety events★[ab]

	Tier 1 process safety events	Tier 2 process safety events	Total
2024	3	35	**38**
2023	9	30	39
2022	17	33	50
2021	16	46	62
2020	17	53	70

We track tier 1 and tier 2 events and report the aggregated outcome. Tier 1 events are losses of primary containment from a process of greatest consequence – causing harm to a member of the workforce, damage to equipment from a fire or explosion, a community impact or exceeding defined quantities (per API RP 754 tier 1 definitions). Tier 2 events are those of lesser consequence (per API RP 754 tier 2 definitions).

2024 performance

Our combined process safety events (PSEs) have generally decreased over the last 12 years, apart from in 2019. In 2024 we reported our lowest number of tier 1 PSEs – three, down from nine in 2023. However, our tier 2 PSEs increased to 35 (2023 30). Our total reported PSEs for 2024 were 38 (2023 39), see **page 56**.

Reported recordable injury frequency★[ab]

2024	**0.297**
2023	0.274
2022	0.187
2021	0.164
2020	0.132

Reported recordable injury frequency (RIF) measures the number of reported work-related employee and contractor incidents that result in a fatality or injury per 200,000 hours worked.

2024 performance

In 2024, our RIF increased by 8.5%. Our businesses have identified underlying themes for these injuries and have developed plans intended to help reduce them in future. For more on safety, see **page 56**.

Sustainable operations

Refining availability (%)

2024	**94.3**
2023	96.1
2022	94.5
2021	94.8
2020	96.0

bp-operated refining availability represents Solomon Associates' operational availability for bp-operated refineries. The measure shows the percentage of the year that a unit is available for processing after subtracting the annualized time lost due to turnaround activity and all mechanical, process and regulatory downtime.

Refining availability is an important indicator of the operational performance of our downstream businesses.

2024 performance

bp-operated refining availability decreased to 94.3% in 2024, mainly due to the impact of a power outage at our Whiting refinery.

Upstream★ plant reliability (%)

2024	**95.2**
2023	95.0
2022	96.0
2021	94.0
2020	94.0

bp-operated upstream plant reliability is calculated taking 100% less the ratio of total unplanned plant deferrals divided by installed production capacity, excluding non-operated assets and bpx energy. Unplanned plant deferrals are associated with the topside plant and, where applicable, the subsea equipment (excluding wells and reservoirs). Unplanned plant deferrals include breakdowns, which does not include Gulf of America weather-related downtime.

2024 performance

Upstream plant reliability in 2024 was marginally higher than in 2023.

Remuneration

To help align the focus of our executive management and executive directors with the interests of our shareholders, certain measures are used for executive remuneration.

Directors' remuneration report, **page 88**

Key

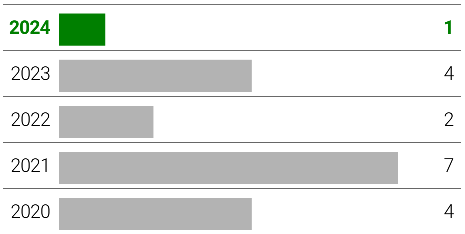
●	Used for remuneration policy
TCFD	TCFD Recommendations and Recommended Disclosures

a Exclusions to safety metrics – tier 1 and 2 process safety events may exist and recordable injury frequency may exist where entities that have been recently acquired or where bp has recently taken full ownership have been granted a deviation from specific reporting requirements in bp's Operating Management System (OMS)★ for an initial transitional period and data are not included in the reported metrics unless specifically noted. For the full year 2024 reporting period this includes Archaea Energy, TravelCenters of America, bp bioenergy and Lightsource bp.

b The metric includes reported PSEs occurring within bp's operational HSSE reporting boundary. That boundary includes bp's own operated facilities and joint ventures where bp is the operator. In some cases, we may also provide information about some joint venture activities where bp is not the operator.

Financial

Major project delivery



We monitor the progress of our major projects to gauge whether we are delivering our core pipeline of projects under construction on time.

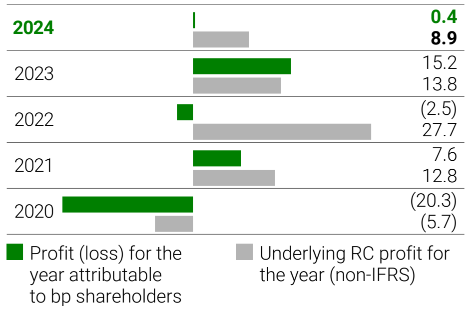
Projects take many years to complete, requiring differing amounts of resource, so a smooth or increasing trend should not be anticipated.

Major projects are defined as those with a bp net investment of at least $250 million, or considered to be of strategic importance to bp, or of a high degree of complexity.

2024 performance

We started up one major oil and gas project in 2024 – the Azeri Central East project in Azerbaijan. Furthermore, on 31 December first gas flowed to the FPSO at the Greater Tortue Ahmeyim project in Mauritania and Senegal.

Underlying replacement cost (RC) profit ($ billion)

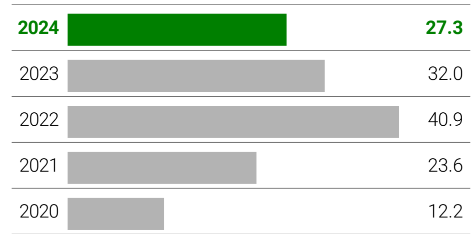


Underlying RC profit★ (non-IFRS) is a useful measure for investors because it is one of the profitability measures bp management uses to assess performance. It assists management in understanding the underlying trends in operational performance on a comparable year-on-year basis. It reflects the replacement cost of inventories sold in the period and is arrived at by adjusting for inventory holding gains and losses★, net impact of adjusting items★ and related taxation from profit or loss attributable to bp shareholders.

2024 performance

Profit for 2024 attributable to bp shareholders includes pre-tax net impairment charges of $5.1 billion. Reduction in the underlying RC profit reflects lower refining margins, lower realizations★, a lower gas marketing and trading result and a lower oil trading contribution, partly offset by lower taxation.

Operating cash flow ($ billion)

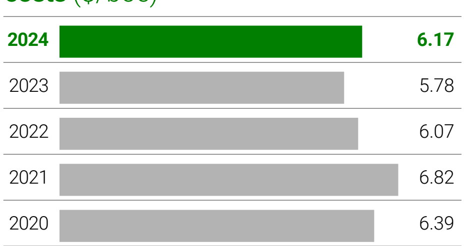


Operating cash flow is net cash flow provided by operating activities, as reported in the group cash flow statement.

2024 performance

2024 primarily reflects lower profits from operations, partly offset by working capital movements.

Upstream unit production costs ($/boe)

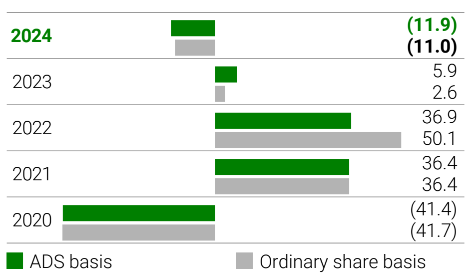


The upstream unit production cost is calculated as production cost divided by units of production. Production cost does not include ad valorem and severance taxes. Units of production are barrels for liquids★ and thousands of cubic feet for gas. Amounts disclosed are for bp subsidiaries only and do not include bp's share of equity-accounted entities.

2024 performance

Unit production costs increased, mainly reflecting the impact of portfolio changes.

Total shareholder return (%)

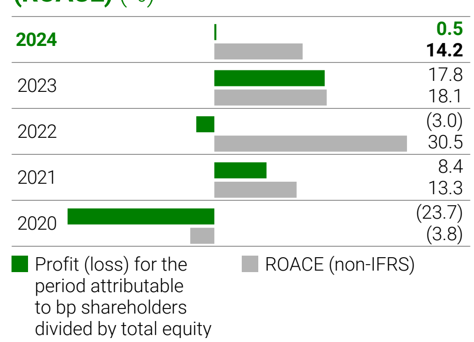


Total shareholder return (TSR) represents the change in value of a bp shareholding over a calendar year (American Depositary Share (ADS) in USD, ordinary share in GBP). It assumes that dividends are reinvested to purchase additional shares at the closing price on the ex-dividend date.

2024 performance

Reduced TSR reflects a reduction in the share price.

Return on average capital employed (ROACE) (%)



ROACE★ (non-IFRS) gives an indication of a company's capital efficiency, dividing the underlying RC profit (loss) after adding back non-controlling interest and interest expense net of tax by the average of the beginning and ending balances of total equity plus finance debt, excluding cash and cash equivalents and goodwill as presented on the group balance sheet over the periods presented.

2024 performance

Profit for 2024 attributable to bp shareholders was $0.4 billion and total equity at 31 December 2024 was $78.3 billion. ROACE for 2024 reflected lower refining margins, lower realizations, a lower gas marketing and trading result and a lower oil trading contribution, partly offset by lower taxation.

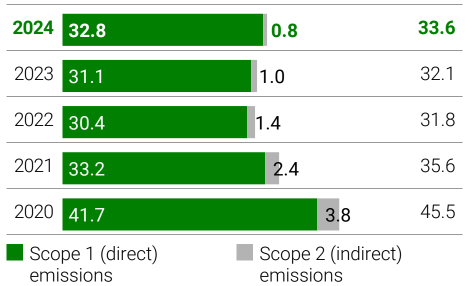
★ See glossary on **page 351**

Key performance indicators
continued

Non-financial

Greenhouse gas emissions[abcde] – operational control ($MtCO_2e$)

TCFD



We report Scope 1 and Scope 2 greenhouse gas (GHG) emissions material to our business on a carbon dioxide-equivalent basis. This KPI comprises Scope 1 (from running the assets within our operational control boundary) and Scope 2 (associated with importing electricity, heating and cooling that is bought in to run those operations) data covered by our net zero operations aim (to be net zero across our operations by 2050 or sooner). It comprises 100% of Scope 1 and 2 emissions or activities within bp's operational control boundary.

2024 performance

In 2024 our Scope 1 (direct) emissions were 32.8$MtCO_2e$ – an overall increase from 31.1$MtCO_2e$ in 2023. Of these Scope 1 emissions, 31.4$MtCO_2e$ were carbon dioxide and 1.5$MtCO_2e$ were methane[c]. Overall emissions increased due to project start-ups, operational growth in our low carbon businesses, temporary operational changes and operational issues in Tangguh, partially offset by the delivery of emissions reduction projects. In 2024 our Scope 2[d] (indirect) emissions, covered by bp's net zero operations★ aim, decreased by 0.2$MtCO_2e$, to 0.8$MtCO_2e$, compared with 2023. The continued use of lower carbon power agreements and a project at our Gelsenkirchen refinery to replace imported steam contributed to this decrease, see **page 38**.

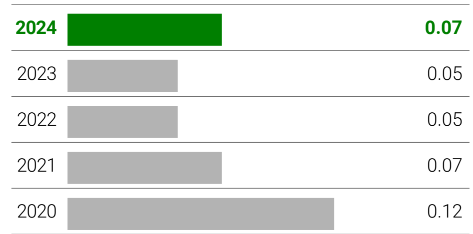
Basis of calculation[e]

bp's reported GHG emissions include methane (CH_4) and carbon dioxide (CO_2). Other GHGs are not included as they are not material to our operations. CH_4 emissions are converted to CO_2 equivalent using the 100-year global warming potential recommended by the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC).

Data is required to be submitted into the bp group reporting tool, OneCSR, in accordance with bp's Operating Management System (OMS)★ requirements, broadly based on the GHG Protocol Corporate Standard and the Ipieca Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions 2nd Edition, May 2011. The responsibility for quantifying and submitting GHG emissions for reporting is assigned to individual bp facilities and business departments, which are termed reporting units (RUs).

Methane intensity[af] (%)

TCFD



We define methane intensity★ as the amount of methane emissions from our upstream oil and gas operations as a percentage of the gas that goes to market from those operations. This applies to methane emissions within our operational control boundary, where we have the highest degree of control. Methane emissions from non-producing activities, such as exploration drilling, are excluded. In 2024 we started reporting methane intensity based on our new measurement approach across our major operated oil and gas assets.

2024 performance

Our methane intensity was 0.07% in 2024[f]. Methane emissions from upstream operations used to calculate this methane intensity increased by around 48% from 31kt in 2023 to 46kt in 2024, see **page 39**.

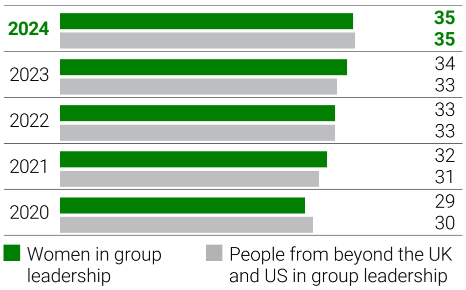
Basis of calculation[e]

All operated upstream assets report methane (CH_4) emissions on a 100% basis, including emissions from operated upstream oil and gas and also includes terminals and LNG facilities. Marketed gas production: all upstream gas reaching a market from bp-operated upstream assets, whether or not this is bp-owned product, and includes gas production from natural gas wells and associated gas from oil production wells. Throughput from bp-operated oil and gas terminals is excluded to avoid double counting despite their associated CH_4 emissions being included in the metric. CH_4 data is required to be submitted into the bp group reporting tool, OneCSR, in accordance with OMS requirements, broadly based on the GHG Protocol Corporate Standard and the Ipieca Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions 2nd Edition, May 2011. The responsibility for quantifying and submitting CH_4 emissions for reporting is assigned to individual bp facilities and business departments (RUs).

Key

●	Used for remuneration policy
TCFD	TCFD Recommendations and Recommended Disclosures

Diversity and inclusion[g] (%)



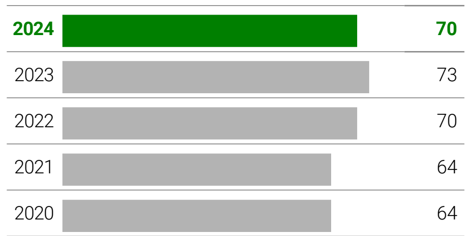
Our people are crucial to delivering our purpose and strategy. We aim to recruit talented people with diverse perspectives, backgrounds, skills and experiences, invest in their development and promote an inclusive culture.

Each year we report the percentage of women and individuals from countries other than the UK and the US among bp's group leaders.

2024 performance

The percentage of women in group leadership increased in 2024, continuing an upward trend over the previous five years. The percentage of people from beyond the UK and US in group leadership also increased by 2 points.

Employee engagement (%)



We conduct a Pulse annual employee survey to understand and monitor levels of employee engagement and identify areas for improvement.

2024 performance

The 2024 Pulse annual survey, which ran in August and September, saw our engagement score decrease by 3 points to 70%, in line with 2022 levels, and a completion rate of 82%. We also extended the survey to retail where we achieved an engagement score of 68% and completion rate of 77%. We continue to build engagement plans based on survey feedback and on real-time updates from our monthly snapshot, Pulse live.

Employee engagement, **page 58**

a These are our KPIs for the purposes of our disclosures pursuant to the UK CFD Regulations and Section 414CB (2A) (h) of the Companies Act 2006.
b Total (100%) Scope 1 (direct) GHG emissions from source activities operated by bp or otherwise within bp's operational control boundary. bp's reported GHG emissions include CH_4 and CO_2.
c Due to rounding some totals may not equal the sum of their component parts. This does not affect the underlying values.
d Scope 2 emissions on a market basis.
e Included as part of reporting under the Companies (Strategic Report) Climate-related Financial Disclosure Regulations 2022 (the UK CFD Regulations).
f In 2024 reported absolute methane emissions from upstream major oil and gas processing sites are based on our new measurement approach. Prior to 2024 these emissions were calculated using a different methodology and therefore the methane intensity reported in those years and calculated using that data does not directly correlate to progress towards delivering the 2025 target. Prior year data is provided for information purposes, and we do not seek to directly compare prior years.
g Relates to bp employees.

Operating within a resilient and disciplined financial frame

Our financial frame sets out how we allocate cash that we generate to strengthen our balance sheet, invest with discipline to grow the value of bp and deliver resilient shareholder distributions.

Our financial frame

Balance sheet

$14-18bn

Net debt★ target by end 2027[a]

'A' range credit metrics through cycle

Shareholder distributions

Resilient dividend

Expect annual increase of the dividend per ordinary share of at least 4%[b]

Share buybacks

Excess cash shared through buybacks over time

30-40%

of operating cash flow★ distributed as dividends and share buybacks[bc]

Capital expenditure

~$15bn

in 2025

$13-15bn

in 2026-27

Disciplined investment allocation, assessed against a set of balanced criteria

a Potential proceeds from any transactions related to *Castrol* strategic review and announcement to bring a strategic partner into Lightsource bp will be allocated to reduce net debt.
b Subject to board discretion each quarter, taking into account factors including outlook for cash flow, share count reduction from buybacks and maintaining 'A' range credit metrics.
c Includes offsetting any dilution from employee share schemes over time.

Resilient dividend

We continue to maintain a resilient dividend policy within our disciplined financial frame.

Since the fourth quarter of 2023 our dividend per ordinary share has grown by 10% to 8.00 cents.

Based on our current forecasts and subject to the board's discretion each quarter, we expect increases in the dividend per ordinary share of at least 4% per annum.

Stronger balance sheet

We are committed to strengthening the balance sheet and are now targeting net debt of between $14-18 billion by the end of 2027. Any potential proceeds from the strategic review of *Castrol* and Lightsource bp transactions will be dedicated to strengthening the balance sheet.

For the full-year 2024, finance debt increased from $52.0 billion at the end of 2023 to $59.5 billion, primarily reflecting net long-term debt issuances, and net debt increased from $20.9 billion to $23.0 billion.

Disciplined investment allocation

We will continue to invest with discipline, driven by value, and focused on delivering returns.

Investment is allocated across our businesses based on a set of criteria that balances strategic alignment, hurdle rates, volatility, integration value, sustainability and risk (see **page 22**).

In 2024 capital expenditure★ was $16.2 billion. We expect capital expenditure to be around $15 billion in 2025 and our capital expenditure frame for 2026 and 2027 is reduced to $13-15 billion per annum. This includes expenditure on inorganic opportunities. Within the capital frame, on average ~$10 billion per year will be allocated to oil and gas, of which ~70% is expected to be allocated to oil and 30% to gas. In customers and products, we are progressively focusing capital expenditure from ~$4 billion in 2024 to ~$3 billion by 2027. In low carbon energy, we expect capital expenditure, on average, will be less than $800 million per year through 2027, around half of which is allocated to hydrogen and CCS projects already through FID.

Share buybacks

Share buybacks remain a core part of our investor proposition. Our intention remains to share excess cash with investors through buybacks. Subject to board discretion, we expect total distributions, including dividend and buyback, to be in the range of 30-40% of operating cash flow over time, including buybacks to offset dilution from employee share schemes.

We announced share buybacks of $7 billion for 2024 and between the end of the first quarter 2021 and 31 December 2024, we have reduced our shares in issue by 22%.

In setting the dividend per ordinary share and buyback each quarter, the board will continue to take into account factors including the cumulative level of and outlook for cash flow, share count reduction from buybacks and maintaining 'A' range credit rating metrics.

Our investor proposition

Our strategy is being fundamentally reset. We are reallocating capital to drive growth from our highest returning businesses. And we are focused on driving improved performance. This is all in service of growing long-term shareholder value. It's underpinned by a plan to deliver compelling adjusted free cash flow★ and strong returns growth, supporting resilient distributions and a stronger balance sheet. We believe bp has a compelling investor proposition.

Resetting strategy
- Growing upstream
- Disciplined transition investment

Reallocating capital
- Reallocating and reducing capital expenditure★
- Significant divestment programme

Driving performance
- Improving downstream
- Cost efficiency

Compelling adjusted free cash flow growth
>20%

Compound annual growth rate (CAGR)★ from 2024-27[a]

Strong returns growth
>16%

ROACE★ in 2027[a]

Resilient distributions
30-40%

Total distribution of operating cash flow[bc]

Stronger balance sheet
$14-18bn

Net debt target by end 2027[d]

Lower operational emissions
45-50%

Reduction aim across Scope 1 and 2 by 2030[e]

More information
Our strategy and primary targets, **page 8**
Sustainability, **page 38**

2025 guidance

	2024 actual	2025 guidance
Upstream reported production (guidance is both reported and underlying production★)	**2.4mmboe/d**	Reported production to be lower/underlying production to be slightly lower than 2024
Total capital expenditure★	**$16.2bn**	Around $15bn
Depreciation, depletion and amortization	**$16.6bn**	Broadly flat compared with 2024
Divestments and other proceeds[f]	**$4.2bn**	Around $3bn, weighted towards the second half
Gulf of America oil spill payments[g] (pre-tax)	**$1.2bn**	Around $1.2bn including $1.1bn pre-tax to be paid during the second quarter
Other businesses & corporate underlying annual charge	**$0.6bn**	Around $1.0bn
Underlying effective tax rate★	**41%[h]**	Around 40%[i]

a At $70/bbl Brent, $4/mmBtu Henry Hub, and $17/bbl refining marker margin, all 2024 real.
b Subject to board discretion each quarter taking into account factors including outlook for cash flow, share count reduction from buybacks and maintaining 'A' range credit metrics.
c Includes offsetting any dilution from employee share schemes over time.
d Potential proceeds from any transactions related to *Castrol* strategic review and announcement to bring a strategic partner into Lightsource bp will be allocated to reduce net debt.
e Reduction in emissions against 2019 baseline, on a CO_2e basis.
f Divestment proceeds★ are disposal proceeds as per the group cash flow statement. See page 26 for more information on divestment and other proceeds.
g See Financial statements – Note 22 for more information on payables related to the Gulf of America oil spill.
h Nearest equivalent GAAP IFRS measure: effective tax rate 82%.
i Underlying effective tax rate★ is sensitive to the impact that volatility in the current price environment may have on the geographical mix of the group's profits and losses.

Our investment process

How we use price assumptions

Our price assumptions are used for our investment appraisal processes. They are also used to inform decisions about internal planning and the value-in-use impairment testing of assets for financial reporting.

The role of price assumptions

Our decisions on individual investments are informed by our view of the price environment and consider the balanced investment criteria discussed below.

Our price assumptions continue to reflect a range of possibilities, including that the transition to a lower carbon economy and energy system could accelerate. Our investment appraisal assumptions, which take a long-term perspective, focus on the fundamental trends affecting the energy sector and our businesses.

From January 2024 until January 2025, we held our key investment appraisal price assumptions constant at the levels set out in the *bp Annual Report and Form 20-F 2023*. For relevant investment cases assessed from February 2025, we have applied and plan to apply the prices shown in the key investment appraisal assumptions table (right) for our central price case. Brent oil and Henry Hub gas assumptions average around $64/bbl and $4.0/mmBtu respectively (2023 $ real) from 2025 to 2050. We consider these prices to be broadly consistent with a range of transition paths compatible with meeting the Paris goals, but they do not correspond to any specific Paris-consistent scenario. We also consider a range of other price assumptions in investment appraisals, including product and market-specific prices relevant to individual investment cases.

We apply carbon prices rising from $50/tCO_2e$ in 2025 to $135/tCO_2e$ in 2030 and $200/tCO_2e$ by 2050 (2023 $ real) in certain cases (see box, right).

Impairment testing

Our best estimate of future prices for use in value-in-use impairment testing continues to be based on our investment appraisal price assumptions, with quarterly review of near-term prices to confirm that the assumptions appropriately reflect any changes to expectations due to short-term market trends.

Impairment price assumptions were held constant in 2024 at the levels disclosed in the *bp Annual Report and Form 20-F 2023* until the fourth quarter, when the updated investment appraisal price assumptions shown below were used for value-in-use impairment testing.

For investment appraisal, potential future operational emissions costs that may be borne by bp as a result of an investment are included as bp costs, as described in the box below (generally without assuming incremental revenue associated with those emissions), in order to incentivize engineering solutions that reduce operational carbon emissions on projects. For the treatment of emission cost assumptions in value-in-use impairment testing, see Financial statements – **Note 1**.

Key investment appraisal assumptions[a] TCFD

2023 $ real	up to 2030	2040	2050
Brent oil ($/bbl)	70	63	50
Henry Hub gas ($/mmBtu)	4.0	4.0	4.0
Refining marker margin (RMM)[b] ★ ($/bbl)	14	12	9

In addition to the prices shown we also test whether investments meet our return expectations (see page 22) using $60/bbl Brent oil price series.

Carbon price TCFD

2023 $ real	2030	2040	2050
Carbon ($/tCO_2e$)	135	175	200

a The values in the table represent the central case.
b The disclosed RMM assumption in the table excludes carbon pricing impacts and assumes a normalized cost of renewable identification numbers (RINs).

Investment process price assumptions

All investments are evaluated against relevant price assumptions for oil, natural gas, refining margins or other commodities across a range of alternative price or margin series (typically a central, upper and lower series). In addition, all investment cases with anticipated annual operational GHG emissions (Scope 1 and 2) above 20,000 tonnes of CO_2 equivalent (bp net), must estimate those anticipated GHG emissions and include an associated carbon cost in the investment economics, using the carbon prices above.

Our investment price assumptions place some weight on scenarios in which the transition to a low carbon energy system is sufficiently rapid to meet the goals of the Paris Agreement, as well as scenarios in which the transition may not be sufficiently rapid. They also place some weight on a range of other factors that can drive prices, and which are not directly related to the Paris goals.

These price assumptions do not link to specific scenarios or outcomes, but instead try to capture the range of different possibilities surrounding the future path of the global energy system. The nature of the uncertainty means that the price ranges inevitably reflect considerable judgement. The ranges are reviewed and updated as necessary, as our understanding of and judgements about the energy transition evolve.

In addition to consideration of a range of price assumptions, investment cases also assess the impact of alternative assumptions covering other selected variables relevant to the economics of the investment. These variables may include cost, schedule, resources, policy changes, or other areas of uncertainty, to assess the robustness of investment cases to a range of other factors.

Investment governance and evaluating consistency with the Paris goals

Governance framework

bp's framework for investment governance seeks to ensure that investments align with our strategy, can be accommodated within our prevailing financial frame, and add shareholder value. It enables investments to be assessed in a consistent way against a range of criteria relevant to our strategy, including environmental and other sustainability criteria.

Investments follow an integrated stage-gate process designed to enable our businesses to choose and develop the most attractive investment cases. A balanced set of investment criteria is used (see **page 22**). This allows for the comparison and prioritization of investments across a diverse range of business models.

The governance framework specifies that proposed investments are evaluated using relevant assumptions, including carbon prices for projected operational emissions where applicable. It also sets out requirements for assurance by functions independent of the business before a final investment decision (FID) is taken.

The role of the board

The board assesses capital allocation across the bp portfolio, including the level and mix of capital expenditures★ and divestments, strategic acquisitions, distribution choices and deleveraging, as well as reviewing certain investment cases for approval.

Resource commitment meeting

For acquisitions and organic capital investments above defined financial thresholds, investment approval is conducted through the executive-level resource commitment meeting (RCM), which is chaired by the chief executive officer. The RCM reviews the merits of each investment case against a balanced set of criteria (see **page 22**) and considers any key issues raised in the assurance process.

The CA100+ resolution★ requires bp to disclose how we evaluate the consistency of new material capex investments★ with (i) the Paris goals and (ii) a range of other outcomes relevant to bp's strategy.

bp's evaluation of the consistency of such investments with the Paris goals was undertaken by the RCM for new material capex investments sanctioned in 2024 (see **page 23**).

bp's evaluation of an investment's consistency with 'a range of other relevant outcomes' is achieved by considering its merits against bp's balanced investment criteria, described on **page 22**.

bp board
Reviews and approves investment cases of more than $3 billion for resilient hydrocarbons, more than $1 billion for all transition or low carbon investments★ and any significant inorganic acquisition that is exceptional or unique in nature.

Resource commitment meeting
Forum for executive management's review and approval of investments related to existing and new lines of business above $250 million, or $25 million for acquisitions, or which exceed the relevant EVP's financial authority, and any project considered strategically important such as a new market entry.

Investment allocation committees
EVP-level forums to review and approve investment cases within a business group as per individual EVP financial authority (up to $250 million, or typically $25 million for acquisitions).

Business group investment governance meetings
SVP-level forums that review and approve investment cases within a business group or function, up to the individual SVP's financial authority.

Cross-group meetings
Forums that facilitate discussions across businesses and functions, to support project development, sensitivity analysis, integration opportunities and risk assessment ahead of investment committee meetings.

Investment in non-oil and gas

In 2024 transition growth investment★[a] was $3.7 billion, compared to $3.8 billion in 2023 (see **page 39**).

Bioenergy: Our biogas operation, Archaea Energy, continued its growth and using its modular plant design it started up nine new renewable natural gas (RNG)★ plants in 2024 (see **page 33**).

EV charging: Together with our strategic convenience site★ networks, our investment in EV charging is helping us to offer lower carbon mobility solutions to more customers. In 2024 examples include the opening of our standalone *Aral* EV charging *Gigahub*, in Germany, with 28 charge points. And in China, *bp pulse* installed 2MWh batteries at a charging hub in Shenzhen. We continue to build scale in our EV charging network in key markets (see **page 33**).

Convenience: In 2024 we continued strategic investment in support of high-grading our retail fuels and convenience portfolio, including continued investment in TravelCenters of America, which bp acquired in 2023 (see **page 33**).

Hydrogen and CCS: We are high-grading and focusing our hydrogen portfolio – prioritizing projects in jurisdictions where we have an adequate regulatory framework, access to the value chain – including our own or customer demand – linkage to carbon capture and access to competitive renewable power. In 2024 we made final investment decisions on four hydrogen/CCS projects (see **page 29**). For example we were granted funding to help support the development of a 100MW green hydrogen★ project next to our Lingen refinery in Germany. The plant could produce up to 11,000 tonnes of green hydrogen annually. The final investment decision was taken in December 2024.

Renewables & power: In April 2024 we announced that we took ownership of Equinor's 50% stake in the Beacon Wind US offshore wind projects. In December we announced that bp and JERA Co., Inc will, subject to regulatory approvals and closing conditions being met, join forces to create a global wind joint venture★ (see **page 28**).

Low carbon activity investment

In 2024 low carbon activity investment★, a subset of our total transition growth investment, accounted for 80% of our total transition growth investment (67% in 2023). It increased from $2.5 billion in 2023 to $3.0 billion in 2024, reflecting higher investment in bioenergy, EV charging and wind businesses.

a In February 2025 bp announced that we have retired the concept of transition growth★ engines going forward.

Our investment process continued

Balanced investment criteria

All investment cases must set out their investment merits and are considered against a set of six balanced investment criteria –although investment decisions may also take other factors into account as appropriate. This standardized approach is intended to create a level playing field for decision making and allows portfolio-wide comparisons of investment cases. The decision to endorse an investment based on the information provided represents our evaluation that it is consistent with what the 2019 CA100+ resolution★ refers to as 'a range of other outcomes relevant to bp's strategy'.

The **six** balanced investment criteria are:

Strategic alignment: For all investment cases, we consider whether the investment supports delivery of our strategy, including our net zero aims. We also assess if the investment case involves distinctive capability that bp has, or intends to develop, and whether it adds to an existing 'scale' business within the portfolio or could help us create one.

Safety and risks: For all investment cases, we provide an assessment of the key risks to the investment that have a significantly higher probability than usual or have a significantly greater impact (relative to the size of the project) were they to occur. Safety risk management at bp is underpinned by our Operating Management System (OMS)★, which is designed to help us sustainably deliver safe, reliable and compliant bp operations.

Sustainability: For all investment cases, we consider how any proposed business opportunity is connected to the energy transition, societal needs and the environment. This approach is underpinned by our purpose and sustainability frame. All RCM cases must consider significant impacts of an investment on key sustainability aims, informed by our sustainability assessment template for investment cases (for our use of carbon prices, see box on **page 20**).

Investment economics: For all investment cases, we consider investment economics against a range of relevant measures. Depending on the nature of the investment case, these may include return expectations (e.g. internal rate of return or IRR), net present value, discounted payback and profitability index, reflecting assumptions about relevant commodity prices, margins and carbon prices (see **page 20**). The forward economics of an investment case are considered against the differentiated IRRs applicable to that case at the time of the investment decision, depending on the business. We also refer to these expectations as hurdle rates; although, as noted, each case is assessed according to its combined merit against our full set of balanced criteria.

1. For our upstream business (including biogas), we seek an IRR of 15%.
2. For our downstream business (including EV charging and biofuels), we seek portfolio-level returns in excess of 15%.
3. For hydrogen and CCS, we expect levered returns in the mid-teens including farm-down and integration value.

For each investment, the relevant return expectations above are assessed using our central price assumptions. For additional capital discipline for investments in oil and gas production, we also compare the central price hurdle above (15%) to a case in which the Brent oil price starts at $60/bbl and later declines to the level of our key appraisal assumptions by 2050 (see **page 20**). In addition, for investments in our oil and gas and refined products businesses, as well as any other investments that do not fall within one of the specific businesses set out above, we compare the IRR in our lower-price case to a cost of capital hurdle rate.

Volatility and rateability: Our investment economics metrics also consider the degree of uncertainty of the cash flows when considering investment cases. For example, some cases have more certainty of future costs and revenue projections. Variation in net present values for the key variables in an investment case are quantified by sensitivity analysis to give a range of potential outcomes against our key investment hurdles.

Optionality and integration: Our assessment considers the degree of optionality offered by a project – the ability to adapt our business to changing circumstances. This could be an option to sell a product with a floor price, or the right to purchase additional equity in a joint venture at specific terms. Other types of options include the right to develop (or not develop) extensions to existing projects, or to change the course of a project's development depending on market circumstances. We likewise seek out integration along value chains across multiple products, services, geographies and customers. For example, our gas production can supply liquefaction plants whose LNG is monetized by our trading business. Likewise, carbon sequestration projects may allow us to add value to our gas production by reducing carbon intensity.

Paris consistency evaluation process

Our new material capex investments★ are intended to support the delivery of bp's strategy.

For evaluations conducted in 2024, investments in scope for evaluation were defined as:

- **New:** investment in a new project, or extension of an existing project/asset, or share of an entity that is new to bp, or a substantial increase in bp's share.
- **Material:** more than $250 million capex investment.

Quantitative evaluations

For our investment economics and sustainability investment criteria we considered quantitative guide levels, as set out below, to inform the evaluation of each investment's consistency with the goals of the Paris Agreement. For evaluations in 2024 we used the central price IRR and other economic hurdles as set out in the *bp Annual Report and Form 20-F 2023* (page 32). As in previous years, we reduced our operational carbon intensity★ guide levels, in line with our decreasing portfolio average. As our approach matures with experience, we may continue to adjust or supplement our methodology. There may be instances when new material capex investments are evaluated as consistent with the Paris goals despite either the economic or sustainability guide levels not being met. The RCM may also take account, in its Paris consistency evaluation, of the six balanced investment criteria using qualitative assessments.

Investment economics: We calculated economic indicators using our central price, and where applicable, our lower price cases, and applying our carbon price assumptions to relevant operational GHG emissions. (For our current key central case oil and natural gas price assumptions, see **page 20**, where we also set out our view on their consistency with achieving the Paris goals). We then compared the economic indicators to the relevant economic guide level (see below), based on the corresponding hurdles. We typically target a threshold of >1.0x the relevant IRR guide level, and <1.0x any relevant payback guide level, as set out in the *bp Annual Report and Form 20-F 2023* (page 32).

Sustainability: Where appropriate, we compared the expected operational carbon intensity of the investment relative to that of the portfolio average shown in the *bp ESG Datasheet 2023* for the segment or the related business activity (upstream and refining). We normally target a ratio of less than 100%, meaning that the investment is expected to reduce the average operational carbon intensity of the relevant portfolio. The potential impact of new material capex investments on bp's net zero aims is a further consideration.

Evaluation outcome

In 2024 eight new material capex investments were approved[a]. All were evaluated as being consistent with the Paris goals, taking into account both quantitative and qualitative evaluations and the balanced criteria above.

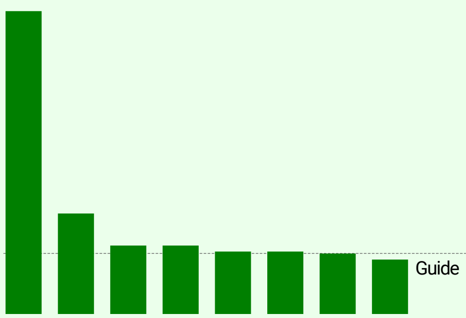
Evaluation of investment performance against quantitative guide levels[b]

Seven of the eight investments exceeded the relevant IRR guide level as shown in the chart. The IRR of the remaining investment was slightly below its central price IRR hurdle.

Three of the four upstream hydrocarbon projects had emissions intensities below the relevant upstream intensity guide level. The other upstream investment had an emissions intensity above the guide level, but was expected to reduce our operational emissions intensity in the region. The four other investments were in businesses for which there was no applicable carbon intensity guide. These latter investments are shown as 'n/a' in the operational carbon intensity chart.

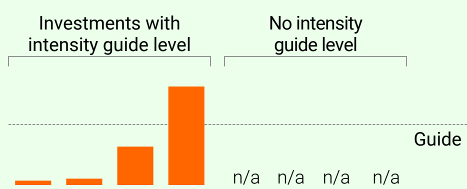
Investment economics

Against IRR guide level



Sustainability

Against operational carbon intensity



Decisions taken in 2024

In 2024 there were eight new material capex investment decisions evaluated for Paris consistency, shown here in the order the investment decisions were made:

Brazilian biofuels: In June bp agreed to take full ownership of our Brazilian biofuels joint venture, acquiring Bunge's 50% interest. The acquisition is expected to have capacity to produce around 50,000 barrels a day of ethanol equivalent from sugar cane through the business's 11 agro-industrial units across five Brazilian states.

Kaskida: In July bp approved its final investment decision in the Kaskida project in the US Gulf of America. The new floating platform is expected to have nameplate production capacity of 80,000 barrels of oil per day. It will leverage simplified, standardized and cost-efficient design, which is expected to be replicated in future projects.

Ruwais LNG: In July bp announced we had agreed to take a 10% interest in a new ADNOC-operated LNG facility in Abu Dhabi, deepening our relationship with our longstanding partner. The project has a planned total capacity of 9.6Mtpa. The investment is consistent with bp's strategy to develop competitive gas positions as we grow our LNG portfolio.

Coconut gas development: In August bp and EOG agreed to form a 50:50 joint venture for the Coconut development with EOG as operator. This partnership for the Coconut development is part of bpTT's strategy to grow its gas business and help to unlock the energy future of Trinidad and Tobago.

Tangguh UCC: In November bp and partners gave the go-ahead for the Tangguh UCC project in Papua Barat, Indonesia. The project has three components: the Ubadari field; a gas compression facility; and a carbon capture, use and storage (CCUS) project. It has the potential to unlock around 3 trillion cubic feet of additional gas resources in Indonesia to help meet growing energy demand in Asia. The CCUS component is expected to sequester around 15MtCO_2 during its initial phase from Tangguh's natural gas production, reducing overall CO_2 emissions intensity from operations at Tangguh.

Northern Endurance Partnership (NEP): In December bp and partners made their final investment decision for NEP, a joint venture between bp, Equinor and TotalEnergies, which is the CO_2 transportation and storage provider for the UK's East Coast Cluster (ECC). The Teesside onshore NEP infrastructure is expected to serve the Teesside-based carbon capture projects – NZT Power, H2Teesside and Teesside Hydrogen CO_2 Capture. We expect around 4MtCO_2 per year from these projects will be transported and stored from 2027.

Net Zero Teesside Power (NZT Power): Also in December bp and partners took a final investment decision in NZT Power, a joint venture between bp and Equinor, which could generate up to 742MW of flexible, dispatchable low carbon power. Up to 2MtCO_2 per year will be captured at the plant, and then transported and securely stored in subsea storage sites in the North Sea.

Lingen Green Hydrogen: In December bp made a final investment decision for the Lingen Green Hydrogen project in Germany, which will be its first fully-owned and operated large-scale green hydrogen★ facility. The project is expected to install a 100MW electrolyser capacity capable of producing an average of 10-11kt of green hydrogen per year from 2027. The renewable power needed for the electrolyser is expected to be supplied by offshore wind generation.

a The RCM also approved two investment cases in our low carbon energy business with capital investment above $250 million, which are not included in the evaluation information presented above. This is because one did not reach a final investment decision during 2024 and the other was a transaction to progress certain bp low carbon energy assets by contributing them to a joint venture. All of the assets that were material had been previously disclosed as new material capex investments in bp's Annual Report and Form 20-F for the relevant year.

b The 2024 investments have been compared to relevant guides (as applicable to the evaluation of each investment) and are presented here in order of the ratio to the relevant central-price case IRR guide level (or where there was no relevant central price IRR guide level, the lower price one), and separately in order of the ratio to the relevant emissions intensity guide level. As a result, the evaluations against the economic and sustainability benchmarks do not necessarily follow the same order.

★ See glossary on **page 351**

"bp delivered operating cash flow of $27.3 billion. During the year, we made strong progress on cost savings, achieving $0.8 billion of structural cost reduction★. We raised the dividend per ordinary share by 10% and delivered $7 billion of share buybacks. Our focus on capital discipline and strengthening the balance sheet continues into 2025."

Kate Thomson
Chief financial officer

Laying the foundation for growth

$0.4bn
profit attributable to bp shareholders
(2023 profit $15.2bn)

$8.9bn
underlying replacement cost (RC) profit★
(2023 profit $13.8bn)

$27.3bn
operating cash flow★
(2023 $32.0bn)

Financial and operating performance

$ million except per share amounts

	2024	2023	2022
Sales and other operating revenues	**189,185**	210,130	241,392
Profit before interest and tax	**11,297**	27,348	18,039
Finance costs and net finance income/expense relating to pensions and other post-employment benefits	**(4,515)**	(3,599)	(2,634)
Taxation	**(5,553)**	(7,869)	(16,762)
Profit (loss) for the year	**1,229**	15,880	(1,357)
Non-controlling interest	**(848)**	(641)	(1,130)
Profit (loss) for the year attributable to bp shareholders	**381**	15,239	(2,487)
Inventory holding (gains) losses★, before tax	**488**	1,236	(1,351)
Taxation charge (credit) on inventory holding gains and losses	**(119)**	(292)	332
Replacement cost (RC) profit (loss)★	**750**	16,183	(3,506)
Net (favourable) adverse impact of adjusting items★[a], before tax	**9,344**	(1,143)	29,781
Total taxation charge (credit) on adjusting items	**(1,179)**	(1,204)	1,378
Underlying RC profit	**8,915**	13,836	27,653
Adjusted EBIDA★	**31,161**	34,345	45,695
Adjusted EBITDA★	**38,012**	43,710	60,747
Dividend paid per ordinary share (cents)	**30.540**	27.760	22.932
Dividend paid per ordinary share (pence)	**23.720**	22.328	18.624
Profit (loss) per ordinary share (cents)	**2.38**	87.78	(13.10)
Profit (loss) per ADS (dollars)	**0.14**	5.27	(0.79)
Underlying RC profit per ordinary share★ (cents)	**54.40**	79.69	145.63
Underlying RC profit per ADS★ (dollars)	**3.26**	4.78	8.74
Adjusting items[a]			
Gains on sale of businesses and fixed assets	**670**	361	3,866
Net impairment and losses on sale of businesses and fixed assets	**(6,930)**	(5,838)	(5,920)
Environmental and related provisions	**(181)**	(647)	325
Restructuring, integration and rationalization costs	**(222)**	37	34
Fair value accounting effects (FVAEs)[b]	**(1,852)**	9,403	(3,501)
Rosneft	**–**	–	(24,033)
Gulf of America oil spill	**(51)**	(57)	(84)
Other	**(273)**	(1,711)	(43)
Total before interest and taxation	**(8,839)**	1,548	(29,356)
Finance costs	**(505)**	(405)	(425)
	(9,344)	1,143	(29,781)
Adjusting items total taxation	**1,179**	1,204	(1,378)
	(8,165)	2,347	(31,159)

a See page 313 for more information.
b See page 314 for information on the cumulative impact of FVAEs.

At 31 December 2024 the group's reportable segments are gas & low carbon energy, oil production & operations and customers & products. Each is managed separately, with decisions taken for the segment as a whole, and represent a single operating segment that does not result from aggregating two or more segments. See Financial statements – **Note 5** Segmental analysis.

Results

The profit for the year ended 31 December 2024 attributable to bp shareholders was $0.4 billion, compared with $15.2 billion in 2023. Adjusting for inventory holding losses, RC profit was $0.8 billion, compared with $16.2 billion in 2023.

After adjusting RC profit for a net adverse impact of items, which bp has classified as adjusting (adjusting items) of $8.2 billion (on a post-tax basis), underlying RC profit for the year ended 31 December 2024 was $8.9 billion. The result reflected lower refining margins, lower realizations, a lower gas marketing and trading result and a lower oil trading contribution, partly offset by lower taxation.

For 2023, after adjusting RC profit for a net favourable impact of adjusting items of $2.3 billion (on a post-tax basis), underlying RC profit was $13.8 billion. The result reflected lower realizations, the impact of portfolio changes, the impact of lower refining margins and a lower oil trading performance.

For a discussion of bp's financial and operating performance for the years ending 31 December 2022 and 31 December 2023, see *bp Annual Report and Form 20-F 2023*, pages 35-47.

Adjusting items

In 2024 the net adverse pre-tax impact of items, which bp has classified as adjusting (adjusting items) was $9.3 billion including:

- Adverse fair value accounting effects (FVAEs) relative to management's measure of performance of $1.9 billion primarily due to an increase in the forward price of LNG during 2024, compared to a decline in 2023 and the adverse impact of the fair value accounting effects relating to the hybrid bonds in 2024 compared to the favourable impact in 2023.
- Net impairment and losses on sale of businesses and fixed assets includes a loss of $1.1 billion relating to the sale of the ground fuels business in Türkiye (see Financial statements– **Note 2**) and net impairment charges of $5.1 billion (see Financial statements– **Note 4**).
- In addition, $0.5 billion net impairment charges were reported through equity-accounted earnings (reported within the 'other' category).
- The other category also includes a $0.5 billion gain relating to the remeasurement of bp's pre-existing 49.97% interest in Lightsource bp and a $0.5 billion gain relating to the remeasurement of certain US assets excluded from the Lightsource bp acquisition (see Financial statements – **Note 3** for further information); and recognition of onerous contract provisions related to the Gelsenkirchen refinery. The unwind of these provisions will be reported as an adjusting item as the contractual obligations are settled.

In 2023 the net favourable pre-tax impact of adjusting items was $1.1 billion including:

- Favourable FVAEs relative to management's measure of performance of $9.4 billion primarily due to a decline in the forward price of LNG during 2023. Under IFRS, reported earnings include the mark-to-market value of the hedges used to risk-manage LNG contracts, but not of the LNG contracts themselves. The underlying result includes the mark-to-market value of the hedges but also recognizes changes in value of the LNG contracts being risk managed. The impacts of FVAEs relative to management's internal measure of performance are provided on **page 314**.
- Net impairment charges of $5.7 billion largely as a result of changes in the group's price and discount rate assumptions, activity phasing and economic forecasts (in particular related to the Gelsenkirchen refinery).
- In addition, $1.3 billion net impairment charges were reported through equity-accounted earnings (reported within the 'other' category), of which $1.1 billion relates to our US offshore wind projects.

See Financial statements – **Note 4** for more information on impairments, and **pages 313 and 314** for more information on adjusting items and FVAEs.

Taxation

The charge for corporate income taxes was $5,553 million in 2024 compared with $7,869 million in 2023. The effective tax rate (ETR) on the profit before taxation for the year in 2024 was 82%, compared with 33% in 2023. The ETR on the profit before taxation for the year in 2024 and in 2023 was impacted by fair value accounting effects and other adjusting items. Excluding inventory holding impacts and adjusting items, the underlying ETR★ in 2024 was 41% compared with 39% in 2023. The underlying ETR in 2024 is higher due to changes in the geographical mix of profits. The underlying ETR for 2025 is expected to be around 40% but it is sensitive to a range of factors, including the volatility of the price environment and its impact on the geographical mix of the group's profits and losses. Underlying ETR is a non-IFRS measure. A reconciliation to IFRS information is provided on **page 360**.

Outlook for 2025

2025 guidance

- bp expects reported upstream★ production to be lower and underlying upstream production★ to be slightly lower compared with 2024. Within this, bp expects underlying production from oil production & operations to be broadly flat and production from gas & low carbon energy to be lower.
- In its customers business, bp expects growth including a full year contribution from bp bioenergy and a higher contribution from TravelCenters of America in part supported by a partial recovery from the US freight recession. Earnings growth is expected to be supported by structural cost reduction. bp continues to expect fuels margins to remain sensitive to the cost of supply and earnings delivery to remain sensitive to the relative strength of the US dollar.
- In products, bp expects broadly flat refining margins relative to 2024 and stronger underlying performance underpinned by the absence of the plant-wide power outage at Whiting refinery, and improvement plans across the portfolio. bp expects similar levels of refinery turnaround activity, with phasing of turnaround activity in 2025 heavily weighted towards the first half, with the highest impact in the second quarter.
- bp expects other businesses & corporate underlying annual charge to be around $1.0 billion for 2025. The charge may vary from quarter to quarter.

★ See glossary on **page 351**

Cash flow and debt information

	$ million		
	2024	2023	2022
Cash flow			
Operating cash flow★	**27,297**	32,039	40,932
Net cash used in investing activities	**(13,250)**	(14,872)	(13,713)
Net cash provided by (used in) financing activities	**(7,297)**	(13,359)	(28,021)
Cash and cash equivalents at end of year[a]	**39,269**	33,030	29,195
Capital expenditure★[b]	**(16,237)**	(16,253)	(16,330)
Divestment and other proceeds[c]	**4,224**	1,843	3,123
Debt			
Finance debt	**59,547**	51,954	46,944
Net debt★	**22,997**	20,912	21,422
Net debt including leases★	**34,909**	31,902	29,990
Finance debt ratio★ (%)	**43.2%**	37.8%	36.1%
Gearing★ (%)	**22.7%**	19.7%	20.5%
Gearing including leases★ (%)	**30.8%**	27.2%	26.5%

a 2024 includes $65 million of cash and cash equivalents classified as assets held for sale in the group balance sheet.
b An analysis of capital expenditure by segment and region is provided on page 312.
c Divestment proceeds are disposal proceeds as per the group cash flow statement. See below for more information on divestment and other proceeds.

Operating cash flow

Operating cash flow for the year ended 31 December 2024 was $27.3 billion, $4.7 billion lower than 2023. Compared with 2023, operating cash flows in 2024 primarily reflected lower profits from operations partly offset by working capital movements.

Movements in working capital★ favourably impacted cash flow in the year by $4.0 billion, including an adverse impact from the Gulf of America oil spill of $1.1 billion. Other working capital effects were principally a decrease in other current assets. bp actively manages its working capital balances to optimize and reduce volatility in cash flow.

Operating cash flow for the year ended 31 December 2023 was $32.0 billion, $8.9 billion lower than 2022. Compared with 2022, operating cash flows in 2023 primarily reflected lower realizations, refining margins and oil trading performance and the impact of portfolio changes.

Movements in working capital adversely impacted cash flow in 2023 by $3.3 billion, including an adverse impact from the Gulf of America oil spill of $1.2 billion. Other working capital effects were principally a decrease in other current liabilities, partly offset by decreases in inventory and other current assets.

Net cash used in investing activities

Net cash used in investing activities for the year ended 31 December 2024 decreased by $1.6 billion compared with 2023.

The decrease mainly reflected an increase in divestment proceeds and a net cash inflow from acquisitions, partly offset by an increase in expenditure on fixed assets.

Total capital expenditure for 2024 was $16.2 billion (2023 $16.3 billion), of which organic capital expenditure★ was $16.1 billion (2023 $15.0 billion). Inorganic capital expenditure for 2024 includes the cash acquired net of acquisition payments on completion of the bp Bunge Bioenergia and Lightsource bp acquisitions. Inorganic capital expenditure for 2023 includes $1.1 billion, net of adjustments, in respect of the TravelCenters of America acquisition. Sources of funding are fungible, but the majority of the group's funding requirements for new investment comes from cash generated by existing operations. bp expects capital expenditure of around $15 billion in 2025 and a range of $13-15 billion per annum from 2026 to 2027.

Total divestment and other proceeds for 2024 amounted to $4.2 billion, including $0.9 billion from the sale of receivables and $0.7 billion cash received, both relating to prior divestments, and $0.6 billion relating to the formation of Arcius Energy. Other proceeds for 2024 consist of $0.8 billion of proceeds from the sale of a non-controlling interest in the subsidiary that holds our 20% share in Trans Adriatic Pipeline AG (TAP) and $0.5 billion of proceeds from the sale of a 49% interest in a controlled affiliate holding certain midstream assets offshore US.

Total divestment and other proceeds for 2023 amounted to $1.8 billion, including $0.5 billion relating to the sale of the upstream business in Algeria and $0.3 billion relating to the disposal of bp's interest in the bp-Husky Toledo refinery. Other proceeds for 2023 consist of $0.5 billion of proceeds from the sale of a 49% interest in a controlled affiliate holding certain midstream assets onshore US.

As at 31 December 2024, $22.0 billion of proceeds were received against our target of $25 billion of divestment and other proceeds between the second half of 2020 and 2025. bp expects divestment and other proceeds to be around $3 billion in 2025.

Net cash provided by (used in) financing activities

Net cash used in financing activities for the year ended 31 December 2024 was $7.3 billion, compared with $13.4 billion in 2023. Compared with 2023, financing cash flows in 2024 primarily reflected higher receipts from the issue of perpetual hybrid bonds and higher net proceeds from the issuance and repayment of finance debt.

In 2024, 1,238 million of ordinary shares (2023 1,263 million) were repurchased for cancellation for a total cost of $7.1 billion (2023 $7.9 billion), including transaction costs of $38 million (2023 $43 million).

Total dividends paid to shareholders in 2024 were 30.540 cents per share, 2.78 cents higher than 2023. This amounted to total dividends paid to shareholders of $5.0 billion in 2024 (2023 $4.8 billion). The board decided not to offer a scrip dividend alternative in respect of the 2024 and 2023 dividends.

Debt

Finance debt at the end of 2024 increased by $7.6 billion from the end of 2023 primarily reflecting net long-term debt issuances. The finance debt ratio at the end of 2024 increased to 43.2% from 37.8% at the end of 2023.

Net debt at the end of 2024 increased by $2.1 billion from the 2023 year-end position. Gearing at the end of 2024 increased to 22.7% from 19.7% at the end of 2023. The increase in net debt and gearing primarily reflects the net debt acquired from the completion of the bp Bunge Bioenergia and Lightsource bp transactions partially offset by the issuance of perpetual hybrid securities. Net debt and gearing are non-IFRS measures. See Financial statements – **Notes 26** and **27** for further information on finance debt and net debt.

For information on financing the group's activities see Financial statements – **Note 29** and Liquidity and capital resources on **page 316**.

Group reserves and production[a]

	2024	2023	2022
Estimated net proved reserves (net of royalties)			
Liquids (mmb)	**3,699**	3,747	3,997
Natural gas (bcf)	**14,786**	17,471	18,481
Total hydrocarbons[b] (mmboe)	**6,248**	6,759	7,183
Of which:			
Equity-accounted entities[b]	**1,377**	1,437	1,381
Production (net of royalties)			
Liquids (mb/d)	**1,166**	1,115	1,214
Natural gas (mmcf/d)	**6,914**	6,944	7,101
Total hydrocarbons[c] (mboe/d)	**2,358**	2,313	2,438
Of which:			
Subsidiaries	**2,008**	1,967	2,000
Equity-accounted entities[c]	**350**	345	439

a Because of rounding, some totals may not agree exactly with the sum of their component parts.
b See Supplementary information on oil and natural gas on page 223 for further information. See page 322 for more information on bp's oil and gas reserves including the impact of events occurring after the end of the reporting period.
c 2022 includes bp's share of Rosneft and Russia joint ventures (193mboe/d). See Oil and gas disclosures for the group on page 324 for further information.

Total hydrocarbon proved reserves at 31 December 2024, on an oil equivalent basis, including equity-accounted entities, decreased by 8% compared with 31 December 2023 (8% decrease for subsidiaries and 4% decrease for equity-accounted entities). Natural gas decreased by 15% (19% decrease for subsidiaries and 5% increase for equity-accounted entities).

There was a net decrease from acquisitions and disposals of 72mmboe within our US, Trinidad and North Africa subsidiaries.

Total hydrocarbon production for the group was 2.0% higher compared with 2023. The increase comprised a 2.1% increase (5.6% increase for liquids and 0.6% decrease for gas) for subsidiaries and a 1.4% increase (1.3% increase for liquids and 2.0% increase for gas) for equity-accounted entities.

★ See glossary on **page 351**

Gas & low carbon energy

Gas & low carbon energy segment comprises our gas & low carbon businesses. Our gas business includes regions[a] with upstream activities that predominantly produce natural gas, integrated gas and power, and gas trading. Our low carbon business includes solar, offshore and onshore wind, hydrogen and CCS, and power trading. Power trading and marketing includes trading of both renewable and non-renewable power.

Financial and operating performance

	$ million		
	2024	2023	2022[b]
Sales and other operating revenues[c]	**32,628**	50,297	56,255
Profit before interest and tax	**3,569**	14,081	14,688
Inventory holding (gains) losses★	**—**	(1)	8
RC profit before interest and tax	**3,569**	14,080	14,696
Net (favourable) adverse impact of adjusting items★[d]	**3,234**	(5,358)	1,367
Underlying RC profit before interest and tax★	**6,803**	8,722	16,063
Taxation on an underlying RC basis	**(2,137)**	(2,730)	(4,367)
Underlying RC profit before interest	**4,666**	5,992	11,696
Depreciation, depletion and amortization	**4,835**	5,680	5,008
Exploration write-offs	**222**	362	2
Adjusted EBITDA★[e]	**11,860**	14,764	21,073
Capital expenditure★			
Gas	**3,615**	3,025	3,227
Low carbon energy	**1,596**	1,256	1,024
	5,211	4,281	4,251

a The AGT and Middle East regions have been further subdivided by asset to allow reporting in either gas & low carbon or oil production & operations as appropriate.
b 2022 includes bp Bunge Bioenergia. From the first quarter of 2023, bp Bunge Bioenergia is reported within customers & products.
c Includes sales to other segments.
d See page 314 for information on the cumulative impact of FVAEs.
e A reconciliation to RC profit before interest and tax is provided on page 362.

Financial results

Sales and other operating revenues for 2024 are lower than 2023 due to materially lower trading results, lower gas prices and lower volumes.

RC profit before interest and tax for 2024 was $3,569 million compared with $14,080 million for 2023.

Items which bp has classified as adjusting for 2024 had a net adverse impact of $3,234 million including adverse fair value accounting effects (FVAEs)★ of $1,550 million, relative to management's view of performance, net impairment charges of $3,004 million, partly offset by a gain of $1,006 million as a result of remeasurement of our previously existing interest and related assets on the step-acquisition of Lightsource bp (LSbp).

After adjusting RC profit for the net impact of items which bp has classified as adjusting, underlying RC profit before interest and tax for 2024 was $6,803 million, compared with $8,722 million for 2023. The decrease reflects a lower gas marketing and trading result, lower realizations and lower production partly offset by a lower depreciation, depletion and amortization charge and lower exploration write-offs.

Items which bp has classified as adjusting for 2023 had a net favourable impact of $5,358 million including favourable FVAEs of $8,859 million, relative to management's view of performance, partially offset by a net impairment charges.

See Financial statements – **Note 4** and **Note 16** for further information on net impairment charges.

Operational update

Reported production for 2024 was 888mboe/d, 4.4% lower than the same period in 2023. Underlying production★ for the full year was 2.8% lower, mainly due to base decline in Egypt, partially offset by major projects★ ramp-up.

Renewables pipeline★ at the end of the year was 60.6GW (bp net), including 38.7GW of LSbp's pipeline. The renewables pipeline showed a net increase of 2.3GW during the year as a result of the LSbp acquisition (20.5GW), offset by reductions as a result of high-grading and focus on proposed hydrogen projects and the US solar business.

In renewables by the end of 2024 we had cumulatively brought 8.2GW (bp net) developed renewables to FID★.

Strategic progress

Gas

In Indonesia, we announced the final investment decision on the $7 billion Tangguh Ubadari, carbon capture, utilization and storage (CCUS) Compression project (UCC), which has the potential to unlock around 3 trillion cubic feet of additional gas resources in Indonesia. Tangguh CCUS aims to be the first CCUS project developed at scale in Indonesia.

In Trinidad, we have made progress on our growth projects and high graded our portfolio:

- In June we sanctioned the Coconut project and in August we agreed to partner with EOG Resources Trinidad Limited to develop the Coconut gas field.
- In July, together with our partner NGC, we were awarded an exploration and production licence by the Bolivarian Republic of Venezuela for the development of the cross-border Cocuina gas discovery.
- In December we completed the sale of four mature offshore gas fields and associated production facilities to Perenco T&T.

In Egypt, we completed the formation of a new joint venture, Arcius Energy (51% bp, 49% XRG). The JV will initially operate in Egypt, and includes interests assigned by bp across two development concessions, as well as exploration agreements.

In December, we completed a sale of a non-controlling stake in bp Pipelines TAP Limited, the bp subsidiary that holds a 20% share in Trans Adriatic Pipeline AG (TAP), to Apollo-managed funds.

In January 2025 we announced that we have begun flowing gas from wells at the Greater Tortue Ahmeyim (GTA) project off the coast of West Africa. Once fully commissioned, it is expected to produce 2.4Mtpa of LNG.

In February 2025 we signed an agreement with ONGC as the technical services provider for the largest offshore oil field in India, which accounts for around 25% of the country's oil production.

LNG portfolio

In April bp and Korea Gas Corporation (KOGAS) announced the signing of a long-term agreement to supply up to 9.8Mt of LNG over 11 years on a delivered ex-ship (DES) basis from 2026. This builds on the existing long-term sale to KOGAS and further adds to bp's global LNG market presence in key demand regions.

In July bp confirmed it would take 10% interest in the new ADNOC-operated LNG facility in Abu Dhabi (Ruwais LNG), further deepening bp's longstanding partnership with ADNOC. The project has planned total LNG production capacity of 9.6mmtpa.

bp and its partners concluded the restructured ownership and commercial framework of Atlantic LNG in Trinidad and Tobago effective 1 October, which allows for an intensified focus on operational efficiency and reliability and provides the certainty required for sanctioning the next wave of upstream gas projects.

See Oil and gas disclosures for the group on **page 318** for more information on oil and gas operations in the regions.

Low carbon energy

In 2024 we have initiated a significant portfolio reset of low carbon energy businesses and we are making strong progress on the programmes that are driving focus and reducing costs.[a]

Hydrogen and carbon capture and storage

In 2024 we have refocused our H2CCS business by reducing the number of projects from 30 to five to seven high-quality hydrogen/CCS projects this decade, four of which have taken FID in 2024:

- In September together with our partner Iberdrola, we sanctioned construction of a 25MW green hydrogen★ project at bp's Castellón refinery in Spain which is expected to be operational in the second half of 2026.
- In December financial close was reached for two major projects in Teesside, UK: the Northern Endurance Partnership (NEP) carbon capture and storage project and the Net Zero Teesside Power (NZT Power) project.
- We also announced in December the final investment decision for 100MW Lingen Green Hydrogen project (see case study, right).

Renewables and power

Offshore wind

We have changed our model for offshore wind – delivering with partners and with external financing that will be capital-light for bp and improve our equity returns.

In December we announced our agreement with JERA Co., Inc. to combine our global offshore wind businesses to form a new standalone, equally-owned joint venture JERA Nex bp (see case study, right).

In December the Japanese government selected a consortium involving bp, Tokyo Gas, Marubeni Corporation, Kansai Electric Power and Marutaka Corporation to build a 450MW offshore wind farm.

Onshore renewables

In October we completed the acquisition of the remaining 50.03% interest in LSbp, one of the world's leading developers and operators of utility-scale solar and battery storage assets operators. LSbp has developed 12GW to date including 3GW of projects to FID in 2024. In 2024 it also constructed over 2GW with total cost under budget as well as significantly developing battery energy storage systems capabilities and footprint. In February 2025 we announced our intention to bring a strategic partner into the business.

In September we announced our plans to sell our existing US onshore wind energy business, bp Wind Energy (10 operating wind assets, net total generating capacity 1.3GW) and aim to bring together the development of onshore renewable power projects through Lightsource bp.

Power trading

In August we announced we have completed the acquisition of GETEC ENERGIE GmbH, a leading independent supplier of energy to commercial and industrial customers in Germany. This deal will accelerate the growth of bp's European gas and power presence.

LiDAR buoys help inform offshore wind farm development, Liverpool, UK

Partnering for offshore wind

bp and JERA Co., Inc., Japan's largest power generation company, have agreed to set up a new 50:50 joint venture, JERA Nex bp, that will become one of the largest global offshore wind developers, owners and operators. The joint venture aims to create a strategic platform for growth by combining a balanced mix of operating assets and development projects with total 13GW potential net generating capacity. Subject to regulatory and other approvals, we aim to complete the formation of JERA Nex bp by the end of the third quarter of 2025.

bp's Lingen refinery, Germany

Green hydrogen in Germany

In December 2024 bp announced the final investment decision for its 100MW Lingen Green Hydrogen (LGH2) project in Germany. It is expected to be bp's largest industrial green hydrogen plant and the first that we will fully own and operate. The project is expected to produce around 11,000 tonnes of green hydrogen annually, with commissioning expected in 2027.

a From 2025 we intend to report our biogas business as part of the gas & low carbon energy segment.

★ See glossary on **page 351**

Estimated net proved reserves and production[a] (net of royalties)

	2024	2023	2022
Estimated net proved reserves (net of royalties)			
Crude oil[b] (mmb)	**113**	128	151
Natural gas liquids (mmb)	**1**	1	9
Total liquids★[c]	**115**	129	160
Natural gas[c] (bcf)	**6,965**	8,635	9,708
Total hydrocarbons★[c] (mmboe)	**1,316**	1,618	1,834
Of which equity-accounted entities[d]:			
Liquids (mmb)	**1**	–	–
Natural gas (bcf)	**196**	–	–
Total hydrocarbons (mmboe)	**35**	–	–
Production (net of royalties)			
Crude oil[b,e] (mb/d)	**88**	96	103
Natural gas liquids (mb/d)	**8**	9	15
Total liquids (mb/d)	**96**	105	118
Natural gas (mmcf/d)	**4,596**	4,778	4,866
Total hydrocarbons (mboe/d)	**888**	929	957
Of which equity-accounted entities[f]:			
Liquids (mb/d)	**2**	2	2
Natural gas (mmcf/d)	**9**	–	–
Total hydrocarbons (mboe/d)	**4**	2	2
Average realizations★[g]			
Liquids ($/bbl)	**75.37**	77.03	89.86
Natural gas ($/mcf)	**5.90**	6.13	8.91
Total hydrocarbons ($/boe)	**38.57**	40.21	56.34

a Because of rounding, some totals may not agree exactly with the sum of their component parts.
b Includes condensate and bitumen.
c Includes 1.7 million barrels of total liquids (2.2 million barrels at 31 December 2023 and 3 million barrels at 31 December 2022) and 219 billion cubic feet of natural gas (430 billion cubic feet at 31 December 2023 and 547 billion cubic feet at 31 December 2022) in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.
d bp's share of reserves of equity-accounted entities in the gas & low carbon energy segment.
e 2023 restated, 4mb/d previously reported in NGLs.
f bp's share of production of equity-accounted entities in the gas & low carbon energy segment.
g Realizations are based on sales by consolidated subsidiaries only – this excludes equity-accounted entities.

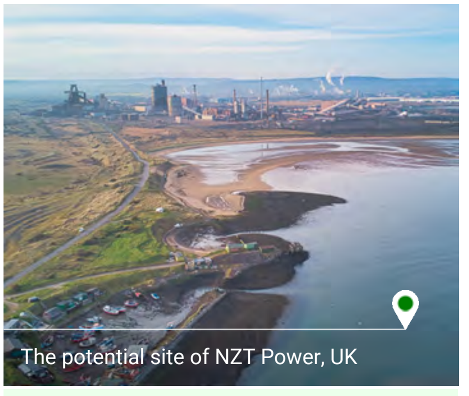
Renewables

	2024	2023	2022
Renewables (bp net, GW)			
Installed renewables capacity★	**4.0**	2.7	2.2
Developed renewables to FID★	**8.2**	6.2	5.8
Renewables pipeline	**60.6**	58.3	37.2
of which by geographical area:			
Renewables pipeline – Americas	**21.2**	18.8	17.0
Renewables pipeline – Asia Pacific	**15.1**	21.3	11.8
Renewables pipeline – Europe	**23.6**	14.6	8.3
Renewables pipeline – Other	**0.7**	3.5	0.1
of which by technology:			
Renewables pipeline – offshore wind	**9.7**	9.3	5.2
Renewables pipeline – onshore wind	**6.6**	12.7	6.3
Renewables pipeline – solar	**44.3**	36.3	25.7
Total developed renewables to FID and renewables pipeline	**68.8**	64.5	43.0


Tangguh LNG facility, Papua Barat, Indonesia

Natural gas in Indonesia

bp and its partners approved the $7 billion Tangguh UCC project in Papua Barat, Indonesia. This initiative will help unlock around 3 trillion cubic feet of natural gas and help meet growing energy demand in Asia. Through the use of CCUS for enhanced gas recovery, the project has the potential to sequester around 15MtCO_2 in its initial phase, reducing overall CO_2 emissions intensity from operations at Tangguh.


The potential site of NZT Power, UK

Teesside carbon capture milestone

In December 2024, bp and partners reached financial close on the Net Zero Teesside Power (NZT Power) and Northern Endurance Partnership (NEP) projects. NZT Power aims to be one of the world's first gas-fired power stations with carbon capture, and could generate up to 742MW of flexible, dispatchable low carbon power and could capture up to 2MtCO_2 annually. NEP will develop the infrastructure to transport and store up to an initial 4MtCO_2 annually from three Teesside-based carbon capture projects within the East Coast Cluster, with the ability to expand in the future. Both projects are expected to support thousands of jobs and help advance the UK's journey to net zero.

Oil production & operations

Oil production & operations segment comprises regions[a] with upstream activities that predominantly produce crude oil, including bpx energy.

Financial and operating performance

	$ million		
	2024	2023	2022
Sales and other operating revenues[b]	**25,637**	24,904	33,193
Profit before interest and tax	**10,780**	11,191	19,714
Inventory holding (gains) losses★	**9**	–	7
RC profit before interest and tax	**10,789**	11,191	19,721
Net (favourable) adverse impact of adjusting items★	**1,148**	1,590	503
Underlying RC profit before interest and tax★	**11,937**	12,781	20,224
Taxation on an underlying RC basis	**(5,165)**	(5,998)	(9,143)
Underlying RC profit before interest	**6,772**	6,783	11,081
Depreciation, depletion and amortization	**6,797**	5,692	5,564
Exploration write-offs	**544**	384	383
Adjusted EBITDA★[c]	**19,278**	18,857	26,171
Capital expenditure★	**6,198**	6,278	5,278

a The AGT and Middle East regions have been further subdivided by asset to allow reporting in either gas & low carbon or oil production & operations as appropriate.
b Includes sales to other segments.
c A reconciliation to RC profit before interest and tax is provided on page 362.


bpx energy, Permian Basin processing facility in Texas, US

Growth in the Permian

In 2024, bp's US onshore oil and gas business, bpx energy, achieved its 30-40% growth target, set for 2025, a year early. And it brought online Checkmate, its third central processing facility in the Permian Basin in April. The electrified facility is designed to support further production growth for bpx energy in the basin.

Financial results

Sales and other operating revenues for 2024 were higher than 2023 mainly due to higher volumes partially offset by lower realizations.

RC profit before interest and tax for 2024 was $10,789 million compared with $11,191 million for 2023.

Adjusting items for 2024 had a net adverse impact of $1,148 million principally relating to net impairment charges. See Financial statements – **Note 4** and **Note 16** for further information on net impairment charges.

After adjusting RC profit for the net adverse impact of adjusting items, underlying RC profit before interest and tax for 2024 was $11,937 million, compared with $12,781 million for 2023. The lower profit reflects lower realizations, and the impact of increased depreciation charges and higher exploration write-offs, partly offset by higher volumes.

Adjusting items for 2023 had a net adverse impact of $1,590 million mainly relating to net impairment charges. See Financial statements – **Note 4** and **Note 16** for further information on net impairment charges.

Operational update

Reported production for 2024 was 1,470mboe/d, 6.3% higher than the same period of 2023. Underlying production★ for the year was 6.2% higher compared with the same period of 2023 reflecting bpx energy performance and major projects★ partly offset by base performance.

Strategic progress

- Aker BP announced oil production had started from the Tyrving field, which is part of the life extension of the Alvheim field.
- ACG joint venture partners announced the signing of an addendum to the existing PSA which enables the parties to progress the exploration, appraisal, development of and production from the non-associated natural gas reservoirs of the ACG field (bp operator with 30.37% equity).
- Azule Energy completed the acquisition of a 42.5% interest in exploration block 2914A (PEL85), Orange Basin, offshore Namibia.
- bp sanctioned the Atlantis Drill Center Expansion in the Gulf of America (bp share 56%).
- Aker BP was awarded interests in 19 licences (of which it will operate 16) in the North Sea and Norwegian Sea (bp 15.9%).
- bp was awarded a licence for two blocks in the central North Sea, consolidating our position around our Eastern Trough Area Project (ETAP) central processing facility.
- The Production Sharing Contract for the Tupinamba block in Brazil was executed (bp 100%).

See Oil and gas disclosures for the group on **page 318** for more information on oil and gas operations in the regions.

★ See glossary on **page 351**

Oil production & operations continued

Estimated net proved reserves and production[a] (net of royalties)

	2024	2023	2022
Estimated net proved reserves (net of royalties)			
Crude oil[b] (mmb)	**3,112**	3,193	3,380
Natural gas liquids (mmb)	**472**	426	457
Total liquids	**3,584**	3,618	3,836
Natural gas (bcf)	**7,821**	8,836	8,774
Total hydrocarbons★ (mmboe)	**4,932**	5,142	5,349
Of which equity-accounted entities[c]:			
Liquids (mmb)	**917**	1,001	968
Natural gas (bcf)	**2,467**	2,527	2,394
Total hydrocarbons (mmboe)	**1,342**	1,437	1,381
Production (net of royalties)			
Crude oil[b] (mb/d)	**953**	910	866
Natural gas liquids (mb/d)	**117**	100	86
Total liquids (mb/d)	**1,070**	1,010	952
Natural gas (mmcf/d)	**2,318**	2,165	1,998
Total hydrocarbons (mboe/d)	**1,470**	1,383	1,297
Of which equity-accounted entities[d]:			
Liquids (mb/d)	**272**	269	176
Natural gas (mmcf/d)	**431**	432	436
Total hydrocarbons (mboe/d)	**346**	343	251
Average realizations★[e]			
Liquids ($/bbl)	**69.85**	72.09	89.62
Natural gas ($/mcf)	**2.55**	4.17	10.46
Total hydrocarbons ($/boe)	**53.96**	58.34	82.23

a Because of rounding, some totals may not agree exactly with the sum of their component parts.
b Includes condensate and bitumen.
c bp's share of reserves of equity-accounted entities in the oil production & operations segment. During 2024 gas operations in Angola, Argentina, Bolivia, Mexico and Norway were conducted through equity-accounted entities.
d bp's share of production of equity-accounted entities in the oil production & operations segment. 2022 includes bp's share of production of Russia joint ventures.
e Realizations are based on sales by consolidated subsidiaries only – this excludes equity-accounted entities.

Expansion in the Gulf

We took a final investment decision on the Kaskida project in the US Gulf of America in July. The floating production platform is expected to have a capacity of 80,000 barrels of oil per day from six wells in its first phase. Kaskida will be bp's sixth hub in the Gulf of America and production is expected to start in 2029.

ACE platform in the Caspian Sea, Azerbaijan

Progress in Azerbaijan

In April we started up oil production from the Azeri Central East (ACE) platform, as part of the Azeri-Chirag-Gunashli development in the Caspian Sea. ACE is bp's first fully remotely operated offshore platform. Its innovative engineering helps automate labour-intensive processes, supporting safer and more efficient operations as well as helping lower operational emissions.

Redevelopment of Kirkuk

On 25 February 2025 bp reached agreement on all contractual terms with the government of the Republic of Iraq to invest in several giant oil fields in Kirkuk providing for the rehabilitation and redevelopment of the fields, spanning oil, gas, power and water with potential for investment in exploration. The agreement is subject to final governmental ratification.

Customers & products

Customers & products segment comprises our customer-focused businesses, which include convenience and retail fuels, EV charging, as well as *Castrol*, aviation and B2B and midstream. It also includes our products businesses, refining & oil trading, as well as our bioenergy businesses.

Financial and operating performance

		$ million	
	2024	2023	2022
Sales and other operating revenues[a]	**155,401**	160,215	188,623
Profit (loss) before interest and tax	**(2,039)**	2,993	10,235
Inventory holding (gains) losses★	**479**	1,237	(1,366)
Replacement cost (RC) profit (loss) before interest and tax	**(1,560)**	4,230	8,869
Net (favourable) adverse impact of adjusting items★[b]	**4,077**	2,183	1,920
Underlying RC profit before interest and tax★	**2,517**	6,413	10,789
Of which:			
customers – convenience & mobility	**2,584**	2,644	2,966
Castrol – included in customers	***831***	*730*	*700*
products – refining & trading	**(67)**	3,769	7,823
Taxation on an underlying RC basis	**(452)**	(1,454)	(2,308)
Underlying RC profit before interest	**2,065**	4,959	8,481
Depreciation, depletion and amortization	**3,957**	3,548	2,870
Of which:			
customers – convenience & mobility	**2,135**	1,736	1,286
Castrol – included in customers	***176***	*167*	*153*
products – refining & trading	**1,822**	1,812	1,584
Adjusted EBITDA★[c]	**6,474**	9,961	13,659
Of which:			
customers – convenience & mobility	**4,719**	4,380	4,252
Castrol – included in customers	***1,007***	*897*	*853*
products – refining & trading	**1,755**	5,581	9,407
Capital expenditure★	**4,420**	5,253	6,252
Of which:			
customers – convenience & mobility	**2,059**	3,135	1,779
Castrol – included in customers	***227***	*262*	*235*
products – refining & trading	**2,361**	2,118	4,473

a Includes sales to other segments.
b See page 314 for information on the cumulative impact of FVAEs.
c A reconciliation to RC profit before interest and tax by business is provided on page 327.


bp bioenergy, Brazil

Scaling up biofuels

We took full ownership of bp bioenergy, one of Brazil's leading biofuels-producing companies, in October. The acquisition means bp now has the capacity to produce around 50,000 barrels a day of ethanol equivalent from sugar cane through the business's 11 agro-industrial units across five Brazilian states.

Epic expansion

In 2024 we launched our own line of private label consumer-packaged products in the US – *epic goods*. Initially featuring a few products, the range expanded to over 50 SKUs by the end of 2024. *epic goods* is available in 1,500 locations across our *ampm*, TravelCenters of America, *Thorntons* brands and many of our franchised locations, offering a range of nuts, juices and bottled water.

Financial results

Sales and other operating revenues in 2024 were lower than in 2023, mainly due to lower product prices.

RC loss before interest and tax for 2024 was $1,560 million, compared with a profit of $4,230 million for 2023.

Items which bp has classified as adjusting for 2024 had a net adverse impact of $4,077 million (including adverse fair value accounting effects of $81 million – relative to management's view of performance), of which $1,660 million related to impairments of assets, which included an impairment of the Gelsenkirchen refinery and $1,267 million related to loss on disposal, mainly related to the Türkiye grounds fuels business disposal. See Financial statements – **Note 4** for further information on disposals and impairments.

After adjusting RC loss for the net adverse impact of items, which bp classified as adjusting, underlying RC profit before interest and tax (underlying result) was $2,517 million, compared with $6,413 million for 2023. The result was significantly lower, primarily reflecting the impact of lower refining margins and a lower oil trading contribution.

Items which bp has classified as adjusting for 2023 had a net adverse impact of $2,183 million (including adverse fair value accounting effects of $86 million – relative to management's view of performance), of which $1,614 million related to impairment of assets, which included an impairment of the Gelsenkirchen refinery.

Customers – the convenience and mobility underlying result for 2024 was lower than 2023. The 2024 underlying result benefited from a continued stronger performance in *Castrol*, driven by higher unit margins and volumes and lower costs. In addition, the continued momentum in EV charging, convenience and retail fuels margins was more than offset by a significantly weaker European midstream performance driven by biofuels margins. The contribution of TravelCenters of America continues to be impacted by the US freight recession.

Products – the underlying result for 2024 was significantly lower than 2023. In refining, the result was lower, primarily due to lower realized refining margins and the first quarter plant-wide power outage at the Whiting refinery, partly offset by a lower impact from turnaround activity. The contribution from oil trading was also significantly lower than 2023.

Operational update

bp-operated refining availability★ for 2024 was 94.3%, lower compared with 96.1% in 2023, mainly due to the first quarter Whiting refinery power outage.

Strategic progress

Convenience & retail fuels

In February 2025, bp completed the acquisition of fuel and convenience retailer, X Convenience, expanding its network with the addition of 49 sites in South and Western Australia.

Strategic convenience sites★ grew to 2,950, an increase of more than 100 sites compared to 2023.

In support of high-grading our retail fuels and convenience portfolio, in October 2024, bp completed the sale of Türkiye ground fuels business to Petrol Ofisi, including the group's interest in three joint venture terminals in Türkiye and in November 2024, announced its intention to sell its mobility and convenience and *bp pulse* businesses in the Netherlands, with completion of the sale by the end of 2025.

In addition:

- In October 2024, bp announced the launch of earnify, a loyalty programme designed to provide customers with a seamless, integrated and rewarding experience, including exclusive discounts on retail store products and fuel purchases in around 5,500 bp, Amoco and *ampm* branded stores across the US.

EV charging

EV charging continued to show strong momentum. Energy sold and EV charge points★ installed in the year grew by around 75% and 35% respectively, compared to 2023, with charge points now around 39,100.

bp continued to advance its future network growth:

- In July 2024 bp signed a deal with Simon Property Group to install and operate up to 900 ultra-fast charging★ bays at up to 75 sites across the US, with initial sites expected to open to the public in early 2026.
- In September 2024, bp signed a deal with LAZ parking in the US, to roll-out ultra-fast charging hubs in 20 cities.

In addition:

- In March 2024 bp acquired the freehold of one of the largest truck stops in Europe, Ashford International Truckstop in Kent. The acquisition presents bp with the opportunity to help meet the comprehensive needs of UK and European HGV operators transitioning to EVs.
- In April, bp opened its first *bp pulse* branded *Gigahub* in Houston, Texas, with 24 ultra-fast★ charge points, building momentum in our US charging business offering.

Castrol

Castrol continued to diversify beyond its core lubricants and fluids business under a new 'Onward, Upward, Forward' strategy. Establishing a strong presence as a Data Center liquid cooling solution provider with continuous expansion to cover the full range of technology. Strong collaboration with leading AI Server/Chips players such as Supermicro and Intel.

In addition:

- In June 2024 *Castrol* announced an investment in Gogoro Inc., a global technology leader in two-wheeler battery-swapping ecosystems that enable smart mobility solutions for cities.
- *Castrol* continued to grow its independent branded workshops, adding around 4,000 workshops in 2024, compared to 2023, with workshops now over 38,000 in total.

As announced in February 2025, bp is carrying out a strategic review of its *Castrol* business with the intention of accelerating *Castrol*'s next phase of value creation.

Audi bp partnership

Fuelling innovation

In July we announced a new strategic partnership with Audi for Formula 1. Through the partnership, we plan to develop the FIA-specified advanced sustainable fuel[a] for Audi's 2026 entry into Formula 1 and through *Castrol*, we plan to develop lubricants and EV fluids for Audi's V6 turbo engine and electric motor and battery. The collaboration also includes long-term sponsorship, making bp the first official partner of Audi's future Formula 1 factory team.

Charging ahead

ADAC, Germany's leading automobile association with over 20 million members, announced *Aral* pulse, bp's EV charging brand in Germany, as their new exclusive EV charging partner from 1 August. The partnership supports *Aral* pulse's aim to expand its existing network. Additionally, bp opened our first standalone *Aral* EV charging *Gigahub* in Mönchengladbach in November 2024, featuring 28 charge points and a 24/7 smart store.

a FIA advanced sustainable fuel must achieve at least 65% greenhouse gas emissions savings relative to fossil-derived petrol produced at installations operating since 2021. See 2026 F1 Technical Regulations for details.

Bioenergy

bp's Archaea Energy started up nine renewable natural gas (RNG) landfill plants in 2024, with a total capacity of more than 10 million mmBtu per annum. This includes one of its largest Archaea Modular Design plants in Shawnee, Kansas in April. Located next to a large private owned landfill, the Shawnee plant captures landfill gas and converts it to RNG with a total capacity of 9,600 standard cubic feet. In February 2025 bp announced its intention to move its biogas business to the gas & low carbon energy segment.

In biofuels, bp took full ownership of bp bioenergy in Brazil in October 2024. In January 2025, bp announced the decision to rephase its biofuels project in Kwinana, Australia, with the objective of improving capital productivity. In addition, as announced in February 2025, bp will continue to assess options for investment in standalone biofuels plants, co-located with our existing refineries with the potential to move one project to FID by 2027. However, we will only proceed when project economics are supportive.

In addition:

- In April 2024, bp launched its new hydrotreated vegetable oil (HVO) bioenergy brand, marketed as bp bioenergy HVO, and commencing with roll-out at sites across the UK and the Netherlands.
- During the fourth quarter bp continued to progress its strategic plans to access feedstock for biofuels, announcing a 10-year agreement with agri-food group MIGASA for the supply of up to 40,000 tonnes per year of vegetable oil waste, and announcing a collaboration with Corteva, with the intent of forming a JV, on novel feedstocks.

Refining

bp continued to high grade its refining portfolio, announcing in February 2025 bp's intention to market its Ruhr Oel GmbH – BP Gelsenkirchen operation in Germany for potential sale, including its refinery in Gelsenkirchen and DHC Solvent Chemie GmbH in Mülheim an der Ruhr. This is in addition to bp's plans, announced in March 2024, to transform the Gelsenkirchen refinery site by the end of the decade. The plans include simplification of the site to improve its competitiveness, including a controlled reduction in total production capacity from 2025 and increased production of lower-emission fuels using co-processing.

In addition:

- On 19 June 2024 bp completed the sale of its 8.3% shareholding in Channel Infrastructure, which owns and operates New Zealand's Marsden Point fuel import terminal. Our long-term terminal storage agreements with Channel Infrastructure to meet bp's foreseeable import and supply requirements are unaffected by the sale of these shares.
- On 1 December 2024, bp completed the sale of its 50% ownership in the SAPREF refinery to the South African state-owned entity, Central Energy Fund SOC Ltd.

Other businesses & corporate

Other businesses & corporate comprises technology, bp ventures, our corporate activities & functions and any residual costs of the Gulf of America oil spill. From the first quarter 2022 the results of Rosneft, previously reported as a separate segment, are also included in other businesses & corporate. For more information see Financial statements – Note 1 Significant accounting policies, judgements, estimates and assumptions – Investment in Rosneft.

Financial and operating performance

	$ million		
	2024	2023	2022
Sales and other operating revenues[a]	**2,290**	2,657	2,299
Profit (loss) before interest and tax	**(988)**	(903)	(26,737)
Inventory holding (gains) losses★	**—**	—	—
Replacement cost (RC) profit (loss) before interest and tax	**(988)**	(903)	(26,737)
Net (favourable) adverse impact of adjusting items★[b]	**380**	37	25,566
Underlying RC profit (loss) before interest and tax★	**(608)**	(866)	(1,171)
Taxation on an underlying RC basis	**292**	322	439
Underlying RC profit (loss) before interest	**(316)**	(544)	(732)
Depreciation, depletion and amortization	**1,033**	1,008	876
Capital expenditure★	**408**	441	549

a Includes sales to other segments.
b See page 314 for information on the cumulative impact of FVAEs.

Financial results

RC loss before interest and tax for 2024 was $988 million, compared with $903 million for 2023.

Adjusting items for 2024 had a net adverse impact of $380 million. Adjusting items include impacts of fair value accounting effects, which had an adverse impact of $221 million.

Adjusting items for 2023 had a net adverse impact of $37 million. Adjusting items include impacts of fair value accounting effects, which had a favourable impact of $630 million. Adjusting items also include impacts of environmental charges, which had an adverse impact of $604 million.

After adjusting RC loss for the adjusting items, underlying RC loss before interest and tax for 2024 was $608 million, compared with a loss of $866 million for 2023, mainly reflecting increased interest income.

Strategic progress

We continued to invest in a portfolio of technology businesses, which we see as having the potential for high growth, through bp ventures. Strategically significant investments made through 2024 include:

- In May bp ventures announced the investment of $10 million in Hysata to expand the production of its high efficiency electrolyser technology.
- In December, bp invested in Snowfox Discovery Ltd alongside co-investors Rio Tinto and Oxford Science Enterprises. Snowfox Ltd is a natural hydrogen exploration company, whose mission is to unlock the potential of natural hydrogen to contribute to a net zero future.
- In December, bp ventures announced an investment into Oxford Flow alongside Energy Impact Partners. Oxford Flow engineers and manufactures unique valve technology designed to be more reliable and cost-effective.
- In December, bp ventures invested in India's leading intercity bus platform, Zingbus, to scale operations and work to electrify India's intercity bus routes. Zingbus' platform is designed to make intercity travel more affordable, accessible and reliable.

Other businesses & corporate excluding Rosneft

	$ million		
	2024	2023	2022
Profit (loss) before interest and tax	**(988)**	(903)	(2,704)
Inventory holding (gains) losses	**–**	–	–
Replacement cost (RC) profit (loss) before interest and tax	**(988)**	(903)	(2,704)
Net (favourable) adverse impact of adjusting items	**380**	37	1,533
Underlying RC profit (loss) before interest and tax	**(608)**	(866)	(1,171)
Taxation on an underlying RC basis	**292**	322	439
Underlying RC profit (loss) before interest	**(316)**	(544)	(732)

Rosneft

	$ million		
	2024	2023	2022
Profit (loss) before interest and tax	**–**	–	(24,033)
Inventory holding (gains) losses	**–**	–	–
Replacement cost (RC) profit (loss) before interest and tax	**–**	–	(24,033)
Net (favourable) adverse impact of adjusting items	**–**	–	24,033
Underlying RC profit (loss) before interest and tax	**–**	–	–
Taxation on an underlying RC basis	**–**	–	–
Underlying RC profit (loss) before interest	**–**	–	–

	2024	2023	2022
Estimated net proved reserves (net of royalties) (bp share)			
Crude oil[a] (mmb)	**–**	–	–
Natural gas liquids (mmb)	**–**	–	–
Total liquids★	**–**	–	–
Natural gas (bcf)	**–**	–	–
Total hydrocarbons★ (mmboe)	**–**	–	–
Production[b] (net of royalties)			
Crude oil[a] (mb/d)	**–**	–	144
Natural gas liquids (mb/d)	**–**	–	–
Total liquids (mb/d)	**–**	–	144
Natural gas (mmcf/d)	**–**	–	238
Total hydrocarbons (mboe/d)	**–**	–	185

a Includes condensate.
b 2022 reflects bp's estimated share of Rosneft production for the period 1 January to 27 February only. The estimated share of production for that period has been averaged over the full year.

★ See glossary on **page 351**

Sustainability at bp

Our sustainability frame underpins the delivery of our strategy. It focuses on three areas – getting to net zero, improving people’s lives and caring for our planet.

In February 2025, as part of our strategy reset, we announced we would simplify the aims we have set as part of our sustainability frame to focus on the areas that we believe are most relevant to bp’s long-term success. We now have five aims: net zero operations★, net zero sales★, people, biodiversity and water. In some areas we have retired aims we had previously set; however, in many cases work continues in those areas. We provide an update on our actions on those aims, and our wider progress in relation to embedding sustainability, in our latest Sustainability Report **bp.com/sustainability**.

Sustainability aims

Net zero operations	Net zero sales	People	Biodiversity	Water
Our aim is to reach net zero★ by 2050 or sooner for Scope 1 and 2 emissions within bp’s operational control[a], including by maintaining ‘near-zero’ methane intensity★ across our operated producing assets, enabled by supportive government policies.	Our aim is to reduce to net zero the average lifecycle carbon intensity of the energy products★ we sell by 2050 or sooner, enabled by supportive government policies and the decarbonization of energy demand.	Our aim is to support our employees and local communities through the energy transition.	Our aim is to support biodiversity where we operate[b].	Our aim is to reduce our net freshwater use in stressed catchments where we operate.
See **below**	See **page 39**	See **page 60**	See **page 60**	See **page 60**

Reporting on sustainability

In this section, we cover selected sustainability issues along with information in the following areas:

- Performance on our net zero aims, see **page 38**
- Climate-related financial disclosures, see **pages 42-55**
- Our approach – safety, ethics and compliance, our people, ‘Who we are’ (our beliefs), see **pages 56-60**

Net zero

Our ambition remains to be a net zero company by 2050 or sooner, and to help the world get to net zero.

We have retired some of our previous net zero aims and are focusing our aims on the two areas that we believe are most relevant to our long-term success and to achieving our overall net zero ambition. These are: net zero operations[c] and net zero sales. Both of these aims make explicit what is needed to enable their delivery – and the delivery of the associated interim targets and aims. Our future business and investment decisions, intended to facilitate delivery of our strategy and investor proposition, will also affect the outcomes for these aims.

We believe our net zero ambition and aims, taken together, are consistent with the goals of the Paris Agreement.

By setting a path that enables us to make a positive contribution, working to build out and participate in many of the new energy value chains the world will need, our ambition and aims support the world’s progress towards the Paris Agreement.

We provide updates on some retired net zero aims as follows: net zero production★ **page 39**, investment in transition **page 39**, advocacy **page 39**, incentivizing employees **page 59**, and our participation in trade associations **page 60**.

Net zero operations TCFD

Our aim is to reach net zero by 2050 or sooner for Scope 1 and 2 emissions within bp’s operational control.

Our interim target is a 20% reduction in our Scope 1 and 2 operational emissions by the end of 2025 against the 2019 baseline. Our current outlook for the end of 2030 is a reduction of around 45% against the baseline.

Informed by this outlook, and the assumptions underpinning it, which may change over time, we have adjusted our previous 50% reduction aim for the end of 2030 to a range of 45-50%, against the 2019 baseline of 54.5MtCO_2e. Our methane intensity target remains 0.20% by the end of 2025.

Scope 1 and 2 emissions

Our combined Scope 1 and 2 emissions were 33.6MtCO_2e – a decrease of 38% from our 2019 baseline. The total decrease includes 18MtCO_2e attributable to divestments and 5.4MtCO_2e in emissions reductions activity.

In 2024 our Scope 1 (direct) emissions were 32.8MtCO_2e – an overall increase from 31.1MtCO_2e in 2023. Of these Scope 1 emissions, 31.4MtCO_2e were from carbon dioxide and 1.5MtCO_2e from methane[d]. The increase was due to project ramp-ups, operational growth in our low carbon businesses and some temporary operational changes such as turnaround activity and operational issues.

a On a CO_2e basis.
b At our new in-scope bp-operated projects and major operating sites.
c This aim is a combination of bp’s previous net zero aims (‘aim 1’ and ‘aim 4’).
d Due to rounding some totals may not equal the sum of their component parts. This does not affect the underlying values.

These were partially offset by the delivery of emissions reduction projects.

In 2024 our Scope 2[a] (indirect) emissions, decreased by 0.2MtCO_2e, to 0.8MtCO_2e, compared with 2023. The continued use of lower carbon power agreements and a project at our Gelsenkirchen refinery to replace imported steam from a coal-fired power plant with steam produced in our own gas-fired boilers contributed to this decrease.

We report our Scope 1 and 2 emissions on an operational control and equity share basis in the *bp ESG Datasheet 2024*.

bp.com/ESGdata

Methane

In 2024, we started reporting on the basis of our new methane measurement approach across our major operated upstream oil and gas assets. Using this approach, our methane intensity was 0.07% in 2024 (2023 0.05%[b]). Methane emissions from our upstream★ operations used to calculate this methane intensity were 46kt in 2024 (31kt in 2023[b]).

The higher emissions and intensity in 2024 are primarily from flaring due to operational issues in our Tangguh operations and increases as a result of a temporary operating mode, which were quantified as a result of improvements in our measurement methodology. Our real-time methane emissions data, together with our increased technical understanding of methane in flares allowed us to identify this abnormal situation in Tangguh, but, generally, analysis of our 2024 measured data shows that overall methane emissions from upstream operational flaring were lower than previously reported using conventional methodologies (including those mandated by some countries). Marketed gas volumes increased by 8.5% to 3,614bcf in 2024.

We continue to work to reduce operational methane emissions. We remain on track to reach zero routine flaring by 2030 in line with our aim under the World Bank's Zero Routine Flaring Initiative.

Net zero sales TCFD

Our aim is to reduce to net zero the average lifecycle carbon intensity of the energy products★ we sell by 2050 or sooner. We are targeting a reduction in intensity of 5% by the end of 2025. Informed by our strategy reset, and a range of assumptions, we are aiming for an 8-10% reduction by the end of 2030 compared to the 2019 baseline. This is an adjustment to our previous aim of 15-20% against the 2019 baseline.

Average carbon intensity of sold energy products (gCO_2e/MJ)[cd]

	2024	2023	2022	2021	2020	2019
Average carbon intensity of sold energy products	**79**	80	81	81	81	84
Oil/refined products	**91**	91	92	92	93	95
Gas/NGLs	**67**	67	67	67	67	68
Bioproducts[e]	**41**	44	43	44	44	47
Power/heat[f]	**50**	56	29	27	33	28

We have updated our net zero sales methodology to follow a net volume accounting approach, guided by Ipieca's sectoral guidance (2016) for Scope 3 reporting. The approach focuses on identifying the point, for bp, where the largest amount of sold energy products is transferred within a given commodity's value chain[g]. We believe this will better reflect and track our strategic progress over time, see **bp.com/basisofreporting**.

In 2024 the average carbon intensity of our sold energy products★ was 79gCO_2e/MJ[h]. This represents a 6% reduction from our 2019 baseline, driven by improvements in the well to tank (WTT) emissions of sold products and changes in the sold product mix, which have included strategic investment activities such as the addition of a signification retail power volume as a result of the EDF Energy Services acquisition in 2022 in the US.

Net zero production and transition investment

We have retired our aim related to the estimated Scope 3 (category 11) emissions from the carbon in our upstream oil and gas production★. The estimated Scope 3 emissions from the carbon in our upstream oil and gas production were 322MtCO_2 in 2024 – an 11% reduction relative to our 2019 baseline and a slight increase from 315MtCO_2 in 2023. This increase was mainly associated with an increase in underlying production due to the ramp-up of major projects★ and higher asset performance.

We have retired our aim for more investment into the transition. In 2024 transition growth investment★[i] was \$3.7 billion, compared with \$0.6 billion in 2019 and \$3.8 billion in 2023. It represents around 23% of total capital expenditure★ in both 2023 and 2024, compared with around 3% in 2019.

Our disciplined approach to capital investment means that individual investments will be made

when we consider there to be a clear and compelling business case, in line with our balanced set of investment criteria, see **page 20**.

We will continue to provide guidance on a periodic basis about production volumes and our capital frame. As announced in February 2025, we now expect to invest between \$1.5-2.0 billion per year through 2027[j] in what we now refer to as our transition businesses★ TCFD.

Khazzan gas field, Oman

Advocacy related to net zero

While we have retired our previous advocacy aim, our work in 2024 focused on several themes in support of our net zero ambition, including carbon pricing, and policy frameworks that support growth in low carbon hydrogen, carbon capture and storage (CCS), renewables, decarbonizing transport (including EV charging) and bioenergy.

We publish examples of our activity online at **bp.com/advocacyactivities**.

Key

TCFD TCFD Recommendations and Recommended Disclosures

a Scope 2 emissions on a market basis.
b In 2024 reported absolute methane emissions from upstream major oil and gas processing sites are based on our new measurement approach. Prior to 2024 these emissions were calculated using a different methodology and therefore the methane intensity reported in those years and calculated using that data does not directly correlate to progress towards delivering the 2025 target. Prior year data is provided for information purposes, and we do not seek to directly compare prior years.
c Previously reported figures for the period 2019-2023 have been restated to update the 2019 baseline and the years 2020-2023 in line with the updated methodology for the net zero sales metric. For more detail on how this metric is calculated see the *Basis of Reporting*: bp.com/basisofreporting.
d The aggregate lifecycle emissions and energy values used in the calculation of the average lifecycle carbon intensity of sold energy products★ are provided in the *bp ESG Datasheet 2024*.
e Includes biofuels and biogas.
f Covers all power, including renewable and non-renewable.
g Commodity groups in 2024 are Oil/Refined Products, Gas/NGLs, Biofuels, Biogas, Power/Heat.
h On the updated methodology basis.
i In February 2025 bp announced that we have retired the concept of transition growth★ engines going forward.
j Excludes deferred consideration for 2024 acquisition of bp bioenergy in 2025.

Net zero aims 2024 performance

Aims	Measure/coverage	2024 performance	2025 targets	2030 aims	Aims for 2050 or sooner
Net zero operations★	**Scope 1 and 2★**	38%[a]	20%[a]	45-50%[a]	**Net zero★**
Net zero production★	**Scope 3★**	11%[a]	–		
Net zero sales★	**Average lifecycle carbon intensity[b]**	6%[cd]	5%[d]	8-10%[d]	**Net zero★**
Reducing methane	**Methane intensity★**	0.07%[e]	0.20%	Now embedded into net zero operations	
More $ into transition	**Transition growth investment★**	$3.7bn	–		

a Reduction in absolute emissions against 2019 baseline.
b Average lifecycle carbon intensity of our sold energy products★.
c Previously reported figures for the period 2019-2023 have been restated to update the 2019 baseline and the years 2020-2023 in line with the updated methodology for the Net zero sales metric. For more detail on how this metric is calculated see the *Basis of Reporting*: bp.com/basisofreporting.
d Reduction in the average lifecycle carbon intensity of sold energy products against the 2019 baseline. The percentage change is calculated from the source data instead of the rounded carbon intensity number.
e In 2024 reported absolute methane emissions from upstream major oil and gas processing sites are based on our new measurement approach. Prior to 2024 these emissions were calculated using a different methodology and therefore the methane intensity reported in those years and calculated using that data does not directly correlate to progress towards delivering the 2025 target. Prior year data is provided for information purposes, and we do not seek to directly compare prior years.

Streamlined energy and carbon reporting (SECR) information

Further information on our greenhouse gas (GHG) emissions, energy consumption and energy efficiency is set out here and on the following page. It includes disclosures in respect of the SECR requirements. Further breakdown of our GHG and energy data is available in the *bp ESG Datasheet 2024* at **bp.com/ESG**.

Operational control[ab]	Unit	2024	2023	2022
Scope 1 (direct) emissions	$MtCO_2e$	**32.8**	31.1	30.4
UK and offshore	$MtCO_2e$	**1.0**	1.0	1.0
Global (excluding UK and offshore)	$MtCO_2e$	**31.8**	30.1	29.4
Scope 2 (indirect) emissions – location-based	$MtCO_2e$	**2.4**	2.0	2.1
UK and offshore	$MtCO_2e$	**0.02**	0.02	0.02
Global (excluding UK and offshore)[c]	$MtCO_2e$	**2.4**	1.9	2.0
Scope 2 (indirect) emissions – market-based	$MtCO_2e$	**0.8**	1.0	1.4
UK and offshore[de]	$MtCO_2e$	**0.02**	0.0	0.0
Global (excluding UK and offshore)[f]	$MtCO_2e$	**0.8**	1.0	1.4
Energy consumption[gb]	GWh	**129,872**	124,770	121,697
UK and offshore	GWh	**4,526**	4,688	4,376
Global (excluding UK and offshore)	GWh	**125,347**	120,082	117,321
Ratio of Scope 1 (direct) and Scope 2 (indirect) emissions to gross production[h]	$teCO_2e/te$	**0.16**	0.16	0.15
UK and offshore	$teCO_2e/te$	**0.13**	0.13	0.12
Global (excluding UK and offshore)	$teCO_2e/te$	**0.16**	0.16	0.15

a Operational control data comprises 100% of emissions from activities operated by bp, going beyond the Ipieca guidelines by including emissions from certain other activities such as contracted drilling activities. Read more at bp.com/basisofreporting.
b Due to rounding, some totals may not agree exactly to the sum of their component parts.
c 2022 restated due to IEA emission factor library update.
d 2023 reflects REGOs that had not been retired at the time of publication but are expected to be retired subject to business decisions at the end of the compliance period 31 July 2024.
e 2024 reflects REGOs that had not been retired at the time of publication but are expected to be retired subject to business decisions at the end of the compliance period 31 July 2025.
f 2022 restated due to consistency of rounding.
g Energy content of flared or vented gas is excluded from energy consumption reported as although it reflects loss of energy resources, it does not reflect energy use required for production or manufacturing of products.
h Gross production comprises upstream production, refining throughput and petrochemicals produced.

Streamlined energy and carbon reporting (SECR) information

Energy efficiency measures

Operational efficiency

We take a portfolio view of our project improvement activities at individual sites. This allows us to prioritize the most effective projects, supporting energy efficiency, reduced carbon emissions, and lower costs.

During 2024 we completed energy efficiency reviews in three production regions: Azerbaijan, Georgia and Türkiye, Trinidad and Tobago, and the Gulf of America, US. We started an energy efficiency programme in our refining business, and two refineries, Whiting, US and Rotterdam, Netherlands, have completed it. We expect to complete reviews for the remaining production regions and refineries in 2025. Identified opportunities will be advanced through our existing business processes and plans that support our net zero ambition.

In 2024, a total of 27 new emission reduction projects contributed to reductions of 0.42MtCO_2e. This is in addition to the 172 emissions reduction projects and the associated reduction of 0.9MtCO_2e in 2023. These projects are tracked based on GHG reductions and include energy efficiency improvements.

Emission reduction projects implemented by our businesses in 2024, included low carbon energy consumption projects, which delivered 102ktCO_2e in emissions savings. These reductions were primarily delivered in bpx energy, US and included electrification projects and installation of solar pumps.

Emission savings of ~262ktCO_2e were achieved through energy efficiency improvements in production processes and flaring process optimization projects during 2024. These included:

- Our Gelsenkirchen refinery replaced imported steam from a coal-fired power plant with steam produced in our own gas-fired boilers, reducing emissions by 19ktCO_2e.
- bpx energy's central distribution projects, Karnes and Bingo, enabled decommissioning of legacy natural gas-driven equipment, resulting in reduced flare volumes and the switch from natural gas to instrument air in pneumatic devices.
- Restoration of cooling water infrastructure at Cherry Point to reliably meet refinery needs and improve the efficiency of compressor operations.

Other types of reduction projects delivered a total reduction of 56ktCO_2e, including the hydrocracker improvement project at Cherry Point, US, which saved 26ktCO_2e of emissions.

As part of managing energy efficiency, we take a portfolio-wide approach to assessing and prioritizing spinning reserve reduction opportunities. Spinning reserve involves running additional power generation machines to provide an excess of energy supply. This can help to protect production from plant vulnerabilities, including power generation reliability. Reducing spinning reserve can increase exposure to power fluctuations for production. We take a risk-based approach when considering reducing the number of running machines. This allows bp to realize emissions and maintenance cost reductions from fewer running machines, while managing the associated production risk.

bp is involved in several external groups working on energy efficiency, including the Oil & Gas Climate Initiative (OGCI), the International Association of Oil & Gas Producers (IOGP) and Energy Star. We continue to run an annual training course for new chemical engineers, which includes energy efficiency upskilling, and we offer GHG emissions and energy efficiency training for more experienced engineers and practitioners.

Reporting methodology

Our approach to reporting GHG emissions broadly follows the Ipieca, API, IOGP Petroleum Industry Guidelines and the GHG Protocol for Reporting GHG Emissions. We calculate GHG emissions based on fuel consumption and fuel properties for major sources, such as flares.

We report CO_2 and methane. We do not include nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride as they are not material to our operations.

Energy consumption is monitored and reported centrally from all operated sites by fuel type. This includes all energy, both imported and self-produced, used to run our operations and aligned with our GHG reporting boundary, but excludes energy content of flared or vented gas. Although flaring and venting reflects loss of energy resources, it does not reflect energy use required for production or manufacturing of products.

Ratio of Scope 1 and Scope 2 emissions to gross production

bp reports a ratio of Scope 1 and Scope 2 emissions to gross production, see the SECR table on **page 40**. This covers all our Scope 1 and Scope 2 emissions on an operational control boundary basis and uses gross operated sales from our operated oil and gas facilities, refinery throughput and petrochemicals produced. The denominator uses output from production businesses, refineries and petrochemical facilities, which account for 96% of total operated emissions. The intensity ratio has remained the same as 2023.

The ratio provided in the SECR table uses production and throughput from our operated upstream, refining and chemicals businesses as a measure of output which can be consistently reported against. We report data on a consolidated basis in the Annual Report and Form 20-F and this differs to the production and throughput used for the ratio in the SECR table, which aligns with the operational control boundary basis.

★ See glossary on **page 351**

Climate-related financial disclosures[a]

We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board to improve the reporting of climate-related risks and opportunities.

We want to continue to work constructively with the IFRS Foundation's International Sustainability Standards Board (ISSB) and others as they develop good practices and standards for transparent climate-related reporting.

In 2024 we continued to engage with the World Business Council for Sustainable Development (WBCSD) in relation to its ongoing 'Climate Scenario Analysis Reference Approach for Companies in the Energy System'. Read about how we have used the WBCSD Scenario Catalogue[b] to inform our own scenario analysis on **page 53**.

TCFD statement

We report in line with the FCA Listing Rule UKLR 6.6.6R(8), which requires us to report on a 'comply or explain' basis against the TCFD Recommendations and Recommended Disclosures in respect of the financial year ended 31 December 2024[c].

We consider our climate-related financial disclosures to be consistent with all of the TCFD Recommendations and Recommended Disclosures and that they are therefore compliant with UKLR 6.6.6R(8). We have set out our disclosures against each TCFD Recommended Disclosure and in doing so have covered both the Recommended Disclosure and the related Recommendation[d]. We have made disclosures that take into consideration references made to the materiality of information in the Recommendations related to Strategy and Metrics and Targets. In determining materiality for these purposes, we considered whether particular information may have the potential to influence the economic decisions of our shareholders. We have also, where appropriate, considered the TCFD guidance and other supporting materials referred to in the UK Listing Rules[e]. In the Strategy (b) section on **page 47**, we describe elements of our plans for the transition to a lower carbon economy as we execute our strategy.

As explained on **page 10**, we consider our strategy to be consistent with the goals of the Paris Agreement.

The strategy has been developed taking into consideration, among other things, the *bp Energy Outlook 2024* scenarios (described on **page 7**), which take account of climate commitments and pledges made by countries in which we operate alongside a range of other factors.

In preparing our disclosures we have made several judgements, and while we are satisfied that they are consistent with the TCFD Recommendations, Recommended Disclosures and reporting requirements under the UK CFD Regulations, we will continue to monitor guidance as it evolves and consider opportunities to enhance our disclosures.

Governance

TCFD Recommendation:

Disclose the organization's governance around climate-related issues and opportunities.

Recommended Disclosure:

a. Describe the board's oversight of climate-related risks and opportunities.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

The board's role

One of the core roles of the board is to promote the success of the company for the benefit of its shareholders as a whole while having regard to various factors, including the interests of our other stakeholders and the impact of our operations on the environment and the communities where we operate.

In performing this role, the board sets and monitors bp's strategy. It is responsible for monitoring bp's management and operations and obtaining assurance about the delivery of its strategy.

Any changes to the company's purpose, strategy and values (which we call 'Who we are') are reserved for the board for approval in accordance with the board-approved corporate governance framework.

The board's responsibilities extend to oversight of bp's internal control and risk management framework, including climate-related risks and opportunities, as set out in the terms of reference of the board, available online at **bp.com/governance**.

The board considers that our strategy allows bp to be flexible to adapt to the evolution of the external environment, including market changes, to remain consistent with the Paris goals, see **page 21**.

The board and its committees have oversight of climate-related issues[f], which include climate-related risks and opportunities. Related board and committee activities are set out within the board activities section and committee reports respectively, which can be found on the pages detailed in the table on **page 43**.

Climate-related risks and opportunities were discussed at each board meeting covering strategy in 2024, and the committees considered climate-related issues where appropriate to do so in fulfilling their responsibilities. Oral reports from each of the committee chairs are given at board meetings to keep the board apprised of the relevant matters discussed including, where applicable, climate-related risks and opportunities.

Our company secretary's office manages the process by which board and committee agendas are set and works closely with teams in bp to develop materials that assist the board to discharge its responsibilities, including in respect of climate-related issues.

The board also reviewed documents containing climate-related disclosures – including these TCFD disclosures.

a This section provides disclosures pursuant to the FCA Listing Rule UKLR 6.6.6R(8) and in line with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (The UK CFD Regulations). In the main, we consider our TCFD disclosures achieve UK CFD compliance. Where additional information has been provided beyond our TCFD disclosures to achieve compliance with the CFD Regulations, this has been specifically called out.
b Our 2024 analysis used data from the WBCSD Climate Scenario Catalogue version 3.0, published on 16-05-2024 and downloaded on 13-11-2024.
c In considering the consistency of our disclosures with the TCFD Recommendations and Recommended Disclosures we have had regard to, among other things, the documents referred to in UKLR 6.6.8G and 6.6.9G, as applicable to the financial year 2024.
d In preparing the disclosures we have referred to the TCFD implementation guidance 'Annex: Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (October 2021)', available from fsb-tcfd.org/publication.
e UKLR 6.6.8G and UKLR 6.6.9G.
f We interpret the term 'climate-related issues' to relate primarily to those climate-related risks and opportunities for bp that are relevant to the delivery of long-term shareholder value in the context of the low carbon transition.

Learning and development

The board continues to develop its knowledge and expertise on climate-related and sustainability matters. For example, in 2024, the board took part in the following:

Renewables and power update	Included recent progress on, and plans for, offshore wind. Update provided to assist the board in remaining abreast of key energy transition risks and opportunities.
Hydrogen and carbon capture and storage transition growth★ engine update	Update provided on bp-led projects including the Northern Endurance Partnership, Net Zero Teesside Power and H2Teesside. Assisted the board in remaining abreast of key energy transition risks and opportunities.
Energy and economic update	The briefing was given by our chief economist on developments shaping the key political and societal trends currently affecting the energy transition, in advance of publication of the *bp Energy Outlook 2024* in July 2024. Briefing assisted the board in remaining abreast of key developments.

The board is due to receive further updates on bp's strategic process and sustainability frame in 2025.

Climate and sustainability expertise

The board believes its members possess the necessary expertise related to climate change and sustainability to support the group's strategy. In particular, six of our non-executive directors have specific climate change and sustainability expertise, as set out below.

This determination is based on an assessment of their background and experience, with a focus on their background in the energy sector, experience in executive roles and depth of experience in sustainability and climate change, including climate-related risks and opportunities.

For more general director skills information, see **page 71.**

- **Dame Amanda Blanc** is the current serving CEO at Aviva plc and has held several executive roles across the industry. She was co-chair of the UK Transition Taskforce and Principals Group Member of Glasgow Financial Alliance for Net Zero (GFANZ).
- **Helge Lund** has extensive experience in the energy sector and deep knowledge and global experience including stakeholder considerations regarding climate change risk and opportunities. He has chaired the board through the development of bp's strategy and net zero ambition and continues to have oversight of the delivery of that strategy. He served as a member of the UN Secretary-General's Advisory Group on Sustainable Energy from 2011 to 2014.
- **Melody Meyer** has deep-rooted operational experience in the energy sector which equips her to advise on climate-related risks and opportunities. She has chaired bp's safety and sustainability committee since November 2019, which oversees the implementation of bp's sustainability frame and net zero ambition.
- **Hina Nagarajan** has over 30 years' experience in senior roles within the customer-focused FMCG sector. As CEO of United Spirits Limited (Diageo plc's listed Indian subsidiary), she has overseen the implementation of Diageo India's 10-year ESG action plan, and its Society 2030 mission, in addition to a number of other sustainability initiatives.
- **Satish Pai** has extensive experience in the resource and energies industries. He is managing director of metals company, Hindalco Industries Limited, and leads the company's Sustainability Board in overseeing sustainability initiatives – such as sustainable mining practices, energy conservation and recycling. He has served on the bp safety and sustainability committee since March 2023.
- **Johannes Teyssen** brings CEO experience from his time at EoN, where under his leadership, it split its hydrocarbons and non-hydrocarbons businesses – giving him significant experience of considering climate-related risks and opportunities. He has sat on bp's safety and sustainability committee since 2021. He is a director of Alpiq Holding AG, a Swiss energy services provider and electricity producer in Europe.

Board and committees' consideration of climate-related issues

For examples from the year ended 31 December 2024, see the text indicated with **TCFD** on the pages set out below.

The board

pages 76-77

Safety and sustainability committee

pages 80-81

Audit committee

pages 82-85

Remuneration committee

pages 88-110

Climate-related financial disclosures continued

The role of management

The board, subject to certain conditions and limitations, delegates day-to-day management of the business of the company to the CEO. The CEO is responsible for proposing bp's strategy and annual plan to the board for approval and leading the bp leadership team in delivering bp's strategy and annual plan.

Under this delegation, the CEO is responsible for overseeing the implementation of a comprehensive system of internal controls that are designed to, among other things (a) identify and manage risks that are material to bp, (b) protect bp's assets, and (c) monitor the application of bp's resources in a manner that meets external regulatory standards. Risks, for these purposes, include the climate-related risks and opportunities for bp associated with the issue of climate change and the transition to a lower carbon economy. This is set out in the CEO role profile at **bp.com/board**.

The assessment and management of climate-related risks and opportunities are embedded across bp at various levels and delegated authority flows down from the board through the CEO. See **page 61** for more information on risk governance and oversight.

2024 activity

Where considered appropriate, climate-related risks and opportunities were discussed at bp leadership team meetings in 2024 as part of regular business performance updates prepared for these meetings.

The bp leadership team provides oversight of risk, including climate-related risk, through the various committees described on **page 61**. They are informed about and monitor emerging risks over the short, medium and longer-term via emerging risk papers produced by our SVP treasury. Members of the leadership team receive information on the longer-term risks and opportunities associated with the energy transition via updates produced by our chief economist. These papers are shared with the board.

SVP level and beyond

The bp leadership team is supported by bp's senior-level leadership and their respective teams, with dedicated business and functional expertise focused on climate-related risks and opportunities or on matters which may be affected by such risks and opportunities. This includes: health, safety, environment and carbon; risk; and strategy and sustainability (which includes our carbon ambition, policy and economics teams). Alignment between group, business and functional leaders is fostered through other meetings, such as the TCFD working group which leads the preparation of bp's TCFD disclosures.

Management consideration of climate-related risks and opportunities is organized as follows:

Resource commitment meeting	Forum for approval of investments related to existing and new lines of business above $250 million or $25 million for acquisitions, or which exceed the relevant EVP financial authority, and any project considered strategically important such as a new market entry, see **page 21**.
Group sustainability committee	Provides oversight, challenge and support in the implementation of bp's sustainability frame and the management of potentially significant non-operational sustainability (including climate-related) risks and opportunities. It met four times in 2024. During 2024 the committee considered progress embedding sustainability, performance against targets and bp's position on certain strategic sustainability issues that present risks or opportunities to delivery. This committee is chaired by the EVP strategy, sustainability & ventures (SS&V) and comprises members of the bp leadership team. The outputs from the committee are shared with the board and its committees, including the safety and sustainability committee, as appropriate.
Group operational risk committee	Provides oversight of safety and operational risk management performance for the group, where appropriate. Climate-related factors may affect certain sources of safety and operational risk, such as severe weather events.
Group financial risk committee	Monitors the effectiveness of bp's financial reporting, systems of internal control and financial risk management, namely material group financial risks. Where appropriate, it considers the planned approach to assurance and verification of non-financial reporting ahead of updating the audit committee.

Acquired businesses

Integration plans are developed to transition acquired businesses into bp's system of internal control, over an appropriate timeframe.

Climate governance: management of climate-related matters

As at 1 January 2025

bp board level

Board	Safety and sustainability committee	Audit committee	People, culture and governance committee	Remuneration committee

EVP level

CEO **bp leadership team**	**Group sustainability committee** Chair: EVP SS&V	**Resource commitment meeting** Chair: CEO	**Group operational risk committee** Chair: CEO	**Group financial risk committee** Chair: CFO

SVP level

Sustainability forum Chair: SVP sustainability Focuses on sustainability plans and progress.	**Production & operations carbon table** Chair: SVP HSE & carbon, P&O Focuses on the delivery of lower carbon plans in P&O – particularly in relation to net zero aims.	**Issues and advocacy meeting** Chair: SVP external affairs, C&EA Focuses on policy and advocacy issues, including those related to climate matters.

Cross bp forums and meetings

Meetings and forums to allow cross-group discussions, integration and implementation.

Risk Management

TCFD Recommendation:
Disclose how the organization identifies, assesses and manages climate-related risks.

Recommended Disclosure:
a. Describe the organization's processes for identifying and assessing climate-related risks.

bp's risk management system and policy, described on **page 61**, are designed to address all types of risks including our principal risks and uncertainties, described on **page 62**.

As part of this system, our businesses and functions are responsible for identifying, assessing, managing and monitoring risks associated with their business or functional area.

The process for identifying risks is outlined on **page 62** and guidance to support consistency has been made available to our businesses to provide them with a climate-related framework and taxonomy, which they are able to use as they see fit in their identification and assessment of risk.

Where risks – including climate-related risks – are identified, businesses and functions are required to assess them, in line with our risk management policy. This includes an impact and likelihood assessment which supports the consideration of relative significance and prioritization of risk management activities.

The impact criteria outlined on **page 62** include health and safety, environmental, financial and non-financial (such as regulatory impact) criteria and are used for assessing risks, including climate-related risks. This provides a consistent basis for assessment across bp.

For the purposes of our TCFD disclosures, we use the TCFD's distinction between 'physical' and 'transition' climate-related risks.

Identification, assessment and management of climate-related opportunities[a]

As set out in our TCFD Strategy A and B disclosures on **page 47**, we have identified potentially material climate-related opportunities and our strategy has been informed by these. We identify climate-related opportunities by considering a range of information sources, including the *bp Energy Outlook 2024* (see **page 7**), which helps inform our core beliefs about the energy transition. Business opportunities continue to be originated across bp, and taken forward through bp's investment governance framework, see **page 21**.

Our gas & low carbon energy business is accountable for the delivery of many of our low carbon opportunities through both organic and inorganic growth (see **page 62**). Our investment governance framework (see **page 21**) provides the mechanism by which alignment of these opportunities with our strategy is assessed and decisions on which to progress are made.

a Information added to satisfy the UK CFD Regulations.

Recommended Disclosure:

b. Describe the organization's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall Risk Management.

Risk Management process

Risks which may be identified include potential effects on operations at asset level, performance at business level and developments at regional level from extreme weather or the transition to a lower carbon economy.

As part of our annual process the bp leadership team and board review the group's principal risks and uncertainties. Climate change and the transition to a lower carbon economy continues to be identified as a principal risk, see **page 63**. It covers various aspects of how risks associated with the energy transition could manifest. Physical risks such as extreme weather, which may be affected or intensified by climate change, are covered in our principal risks related to safety and operations.

Physical risk

Physical risks are typically identified at the asset or project level and managed depending on the level of risk assessed.

In the North Sea and Gulf of America, regions more prone to severe weather conditions, our offshore facilities monitor meteorological and oceanographic conditions through the collection of measurements. This data is collated and periodically compared against the 'Basis of Design' for the facility. If significant differences are observed, then this may trigger an update to the 'Basis of Design', prompting action to reassess risks such as structural integrity and station-keeping and if necessary, implement additional risk mitigations, for example updating procedures for shutting down and removing personnel from facilities ahead of severe weather events. Updates may also be made as a result of other new knowledge, analysis methods and data, including climate projections where appropriate.

Our major projects★ are required to assess the potential impact of severe weather and projected climate-related physical impacts. Where relevant, potential changes in environmental conditions, such as sea level rise and ambient temperatures, over the expected lifetime of a project are to be considered as part of the design process.

Building on a modelling exercise conducted in 2022, in 2024 we implemented a screening approach to support identification of potential severe weather and physical climate-related hazards at operational sites. Screening was conducted for a number of onshore sites and, where potential hazards have been identified, and as appropriate, this enables further work to be carried out to assess potential risks and implement appropriate management measures.

For other assets, such as our retail sites★, that are typically not exposed to a comparable level of severe weather risk, climate-related risks such as flooding or wind damage may be managed where appropriate through the emergency response plans and business continuity plans which are mandated through bp-wide policies.

Additionally, at a group level we recognize risk associated with the potential for increased water scarcity due to climate change and other factors and the impact this could have on our operations and in the catchments where we operate. In order to understand the water-related challenges that we face, we review our water impacts, risks and opportunities at our major operating sites. These reviews consider the quantity and quality of water used as well as any regulatory requirements. We anticipate adopting site-level activities as part of our aim to reduce our net freshwater use in stressed catchments where we operate. We anticipate adopting a focused freshwater management approach, addressing water-related business risk where it is greatest, and we anticipate that our freshwater withdrawal in stressed catchments will be covered by freshwater management plans by 2028. For more about water, see **page 60**.

Transition risk

The board appraises bp's strategy and monitors bp's management and operations to obtain assurance over the delivery of its strategy. This approach enables the effective management of climate-related transition risks and opportunities facing bp associated with the energy transition. For the purposes of our TCFD disclosures, we group transition risks identified by our businesses and functions into the three broad material climate-related transition risks to bp, see **page 48**. However, we continue to assess and manage the component parts of those broad transition risks, including:

Policy and legal risks

Our policy team monitors policy trends and leads the definition of policy positions in line with bp's strategy and sustainability aims. They work with our regional organization as well as corporate entities to discuss regional and global policy trends and support external positioning and interactions relating to policy and advocacy topics.

Our group sustainability committee provides oversight of sustainability matters and our issues and advocacy meeting covers emerging advocacy issues.

Our legal team manages bp's litigation, including climate-related litigation and advises on the management of associated risks. This includes the use of internal lawyers and, where appropriate, external counsel.

Market risks

In developing our business strategies, we consider market risks, controls and mitigations, including future demand in the different geographies in which we might operate, the competitive landscape and the potential value proposition. We manage these risks through our investment decisions, our hedging and optimization activity, and through key business processes, including the group investment assurance and approval process.

Reputational risks

Our investor relations, communications and external affairs teams work to mitigate reputation-related risks, which include the risk of shareholder action. Our investor relations team co-ordinates engagement with key investors on both a bilateral basis and through investor initiatives to support understanding of bp's strategy and gain insights to inform feedback they provide to the group.

Our communications and external affairs teams manage corporate reputation through identification and monitoring of key issues and both proactive and reactive engagement with relevant stakeholder groups to communicate bp's positions. The team also leads advocacy campaigns for policies that support net zero, see **page 39**.

Technology risks

Our technology team works to both mitigate risks and identify opportunities associated with evolving and emerging technologies that play a role in the changing global energy system. The team generates technology assessments and disruptive technology reports for review by bp senior executives and the recommendations are overseen by the bp leadership team, through the Innovation Advisory Council. In appropriate cases this helps to underpin and appraise the business case for new investments, new partnerships, new customer offers or new business models where these are being driven by technology innovation.

Strategy

TCFD Recommendation:

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning where such information is material.

Recommended Disclosure:

a. Describe the climate-related risk and opportunities that the organization has identified over the short, medium, and long term.

In setting and monitoring delivery of bp's strategy, the board and leadership team consider climate-related risks and opportunities across the:

- **Short term** (to 2025): aligning with our near-term business and financial planning timeframe.
- **Medium term** (to 2030): aligning with our group business outlook timeframe, and enabling us to think beyond our short-term targets and adjust course if appropriate.
- **Long term** (to 2050): using scenarios to help explore the wide range of uncertainties surrounding the energy transition over the next 25 years. For more detail on our approach, see **page 7**.

TCFD categorizes climate-related transition risk and opportunity as follows: policy and legal, market, reputation and technology. It also refers to climate-related acute and chronic physical risks and opportunities. Risks in each of these categories have been identified using a risk management process that our businesses and functions are required to follow. For more about how the relative significance of identified risks is evaluated, see Risk Management on **page 45**.

Climate-related transition risks and opportunities

At a group level, we have identified three broad, material climate-related transition risks, outlined on **page 48**, underpinned by underlying risks that are assessed and managed through the risk process outlined. These transition risks may cut across our short-, medium- and long-term time horizons; however, we indicate below wherever there is a particular time horizon in which the risk has been considered. The transition risks are also global in nature, so we do not discuss specific geographies here, but the underlying risks refer to specific geographies where appropriate[a]. We also see significant potential for upside – or opportunity – associated with some of these risks. These are discussed under each risk on **page 48** and in relation to Recommended Disclosure (b) we also describe the potential impacts of both the risks and opportunities to bp.

Climate-related physical risks

The physical risks identified primarily relate to severe weather and often represent potential for increased drivers for safety and operational risks to our operations, particularly process safety, personal safety, and environmental risks, see Risk factors **page 65**. In addition, we have identified the potential for changes in the availability of freshwater, including as a result of climate change, as a risk to some of our operations. Higher instances of extreme weather also have the potential to impact supply chains and critical infrastructure, such as air and sea ports, as well as our customers.

We recognize that we could also face other forms of physical climate-related risk over the longer term, for example associated with changes in sea level rise, extreme temperatures and flooding, which could impact our operations. As these risks are primarily operational, and location-specific, they are not grouped in the same way as transition risks.

Like other businesses around the world, in the longer term we could face adverse market or value chain conditions associated with large-scale cumulative impacts of physical climate change if global mitigation and adaptation efforts are insufficient or unsuccessful.

Offshore facilities

In the case of our offshore facilities, climate change could create greater uncertainty around frequency and/or intensity of severe weather events, such as extreme waves, loop currents, and storms, particularly in the medium to long term. These factors could affect the future risk profile of an asset over its lifetime, and could also impact production or costs.

Water resources

Water resources are increasingly under pressure from various factors, including climate change, and this poses a potential risk to some of our operations that depend on the availability of freshwater. Based on analysis using the World Resources Institute (WRI) Aqueduct Global Water Risk Atlas, and in certain cases review of site-specific local data sources, six of our 16 major operating sites in 2024 were located in regions with high to extremely high water stress. Using WRI data, we have identified the potential for this risk to increase in the medium term. For more on water consumption, see **page 60**.

We support the goals of the Paris Agreement and believe that the best mitigation against these types of physical risk is to seek to contribute along with others to the success of global climate mitigation efforts. Our strategy seeks to position us to make such a positive contribution.

We do not currently foresee any material opportunities arising from changes in the physical environment as a result of climate change. However, the actions we are taking to make our operations more resilient, for example through improving efficiency of our freshwater use, may also bring about benefits such as reduced costs.

Recommended Disclosure:

b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

bp's plans for the energy transition

In this section we talk about some of our plans for the transition across bp's business areas and where we do so we have identified these with **TP**.[b] We describe below how we believe our strategy and net zero ambition are both good for business and support society's drive towards the Paris goals.

Throughout the strategic report we set out bp's strategy and plans for the energy transition. This includes our progress against 2024 performance, see **page 9**.

Our progress against our net zero aims are described on **pages 38-39.**

TP Our strategy, together with our net zero ambition and aims (see **page 40**), has been informed by various inputs, including the climate-related risks and opportunities associated with the energy transition described above; the same is true of our financial and business processes. We describe how we use scenarios to inform our strategy on **page 7**.

a Underlying risks are specific, for example, local or business-specific risks identified by specific bp entities through the risk processes described above under Risk Management.
b This is not intended to be an exhaustive list of our plans for the transition, but rather illustrative of some of the core elements of our plans.

Climate-related transition risks and opportunities

#1 **The value of our hydrocarbon business could be impacted by climate change and the energy transition.**	**Changes in policy, legislation, consumer preferences or markets as a result of growing concerns about climate change and the energy transition could reduce demand for fossil fuels or lower their price relative to our financial planning assumptions, particularly in the medium to long term, negatively impacting returns from or the value of our hydrocarbon businesses. Changes in regulations, including carbon pricing and fossil fuel policies, could also impact compliance and operating costs in our oil and natural gas production and refining businesses.** Alternatively, demand and/or prices for oil and natural gas and refined products during the next decade could be higher than our financial planning assumptions under certain transition pathways, including those aligned with the Paris Agreement. This could strengthen returns from our hydrocarbon businesses (including securing higher proceeds from assets we choose to divest) which may enable us to deliver enhanced shareholder value, further strengthen our balance sheet and grow investment in the transition, in line with our financial frame.
#2 **Our ability to grow or deliver expected returns from our transition businesses★ could be impacted by the energy transition.**	**Several factors could restrict the growth of our transition businesses★ or returns from them. These factors include: lack of, or insufficient development and application of, policies, regulations and frameworks that support low carbon businesses; insufficient consumer demand for our low carbon offering; strong competition in the market; or the insufficiently rapid development of supporting technologies and infrastructure or constraints on supply chains for low carbon energies. This could particularly impact bp in the short to medium term as we seek to grow our low carbon businesses but could also represent a longer-term risk.** Alternatively, demand, policy support or enabling technology and supply chain growth for renewables could support a more rapid portfolio shift with expansion of our low carbon businesses and higher returns from them. Some low carbon businesses, including renewable power, bioenergy and emerging technologies such as hydrogen and carbon capture and storage (CCS), rely on policy support to promote growth. We aim to advocate more actively for policies that support net zero, including carbon pricing (see **page 39**). Changes in customer preferences, pace of technology and infrastructure development and deployment and costs could impact the markets for low carbon products and services. For example, the pace of adoption of electric vehicles (EV) could impact utilization rates, and consequently returns, from our EV charging networks. We recognize that the pace of our transition relative to our core low carbon target sectors and regions is important. If we move more slowly than those markets, we may miss investment opportunities and customers may prefer different suppliers with potential negative consequences to demand for our products and to our reputation. If we move faster than these markets, we risk investing in technologies or low carbon products that are unsuccessful because there is insufficient demand for them. However, our investment may also help to stimulate demand and provide us with a leading position in growth markets.
#3 **Our ability to implement our strategy could be impacted by changing stakeholder attitudes towards the energy sector, climate change and the energy transition.**	**Negative perceptions of the energy sector, or bp, could have a number of consequences, for example: adverse litigation; reputational impacts, including our ability to attract and retain talent; and shareholder action. These consequences could affect us in the short, medium or long term.** Alternatively, increased support from our stakeholders could enable access to additional capital and new investors, strengthening our ability to deliver our strategy and enabling faster growth of our low carbon businesses. The world is in an 'energy addition' phase of the energy transition in which it is consuming increasing amounts of both low carbon energy and fossil fuels. The *bp Energy Outlook 2024* (as described on **page 7**) highlights that, although the structure of energy demand will likely change over the long term, with the importance of fossil fuels declining, replaced by a growing share of low carbon energy, led by wind and solar power, oil and natural gas continue to play a significant role in the global energy system for the next 10-15 years. This requires continuing investment in upstream oil and natural gas. The insights from the *bp Energy Outlook 2024* support our view that investment into oil and gas will be needed for decades to come and also that, while the pace and shape of the transition in the long run is uncertain, we continue to see the energy transition as a significant opportunity to grow value. Perceived inconsistencies between the pace of bp's transition and societal expectations could have reputational and commercial impacts that might impair our ability to deliver our strategy. However, we also see potential to positively differentiate bp, by delivering against our strategy, net zero ambition and sustainability aims.

Oil and gas

As announced in February 2025, we are increasing upstream investment versus our prior guidance. This additional investment allows us to strengthen the portfolio, for example the redevelopment of several giant oilfields in Kirkuk, Iraq, page 32, underpinning expected growth in underlying production to 2.3-2.5mmboe/d in 2030, excluding future potential divestments. We recognize that the transition presents uncertainty for our upstream business, including the possibility of lower oil and gas prices, but in recent years we have made strong progress improving operational reliability and commerciality across our portfolio, and we retain optionality to divest some lower margin barrels by 2030. We intend to maintain the disciplined application of our balanced investment criteria, which include the consideration of hurdle rates of 15% from a balanced portfolio across oil and gas. Read more about our investment process on page 20.

As an outcome of our strategy and informed by our current outlook, and its underlying assumptions, which may change over time, we are aiming for the Scope 1 and 2 emissions from our operations – the majority of which are associated with the operating assets in our hydrocarbons portfolio (refining and upstream oil and gas combined) – to be 45-50% lower at the end of 2030 than in 2019 and we plan to maintain 'near zero' methane intensity★ across our operated producing assets, see pages 38-39.

TP Customers and products

As announced in February 2025, we are focusing the downstream – our customer and products business – reshaping the portfolio to focus on markets and businesses where we have advantaged and integrated positions.

We recognize the risk of a decline in demand for conventional vehicle fuels and products due to the energy transition and are working to increase the efficiency and resilience of our existing fuels and lubricants businesses through operating cost reductions and margin optimization. We are also increasing the resilience of our existing fuels network, high-grading our regional footprint and reallocating capital into our most advantaged positions on major transit routes where we see sustained demand for fuels and EV growth. Since 2020 we have announced our exit from two retail markets, and the sale of another. Our integrated mobility model across fuels (hydrocarbons and biofuels), convenience and EV charging provides resilience to the pace of transition by allowing us to flex our offer to meet customer demand.

We are also leveraging our brand in the fast-growing synthetics segment and building exposure to the growing industrial segment. In Aviation, we will make selected high-return investments to build our footprint; and see strong growth potential in sustainable aviation fuel through the transition.

Our biofuels business is already playing a key role in building resilience to the energy transition – helping to decarbonize the mobility value chain using existing infrastructure. We recently took full ownership of bp bioenergy in Brazil, accessing around 50kb/d of production and see potential for future growth with support from policy and market conditions. Our feedstock positions (such as our strategic collaboration with Corteva aimed at producing and delivering crop-based biofuel feedstocks) also provide additional resilience and opportunity to anticipated supply shortages in the transition, see page 35.

At our refineries, the energy transition could impact demand for certain products in the future, potentially leading to lower margins and requiring less efficient refineries to be retired. Consequently, we are continuing to drive greater competitiveness and value from our refineries, aiming for 96% or above Solomon refining availability. We are also repositioning our refining portfolio (see our announced plans to market the Gelsenkirchen complex for example (page 35)) and building resilience through value chain integration (US, Spain) and future biofuels.

TP Low carbon energy

Recent volatility and uncertainty has impacted low carbon energy businesses globally, demonstrating the need to be aligned with and flexible to market and policy development. As announced in February 2025, we are changing our model for low carbon – delivering with partners and with external financing that will be capital-light for bp and help improve our equity returns. In renewable power we now have the Lightsource bp platform, and have announced an agreement to form another – JERA Nex bp. Recognizing the exposure to transition volatility seen in recent years, JERA Nex bp plans to focus on highly disciplined, capital efficient growth. We will also maintain access to our equity share of power offtake to support our own growing internal demand. Lightsource bp is now scaled to deliver 3-5GW annually, backed by around 50GW mature pipeline with further potential to scale while remaining capital-light for bp.

In our hydrogen and CCS businesses, we are prioritizing fewer, higher value projects in the near term while building capability and future optionality to scale and grow as the market develops. By focusing on projects in jurisdictions where we have an adequate regulatory framework, access to the value chain including our own or customer demand and leveraging access to advantaged carbon capture and renewable power, we aim, over time, to decarbonize our operations and help our customers decarbonize. We sanctioned four projects, for example, Lingen, Germany in 2024 (see page 23) and have a strong pipeline with which to respond to future demand growth.

TP Supply, trading and shipping (ST&S)

Our ST&S business provides risk management, flow and optimization services to our bp equity and assets, with a proven track record of resilience to commodity cycles and the ability to capture upside when market conditions present greater opportunities.

Our diversified oil business helps mitigate the risk of falling demand in the US and Europe by providing access to growing demand centres such as Latin America and Sub-Saharan Africa and in growth markets such as petrochemicals, while our LNG portfolio offers flexibility through our advantaged key global positions.

Together with traditional hydrocarbons, we are positioned to access growth markets, creating diversification and greater resilience across power, biogas, biofuels and adjacent agriculture commodities. Our power trading business allows us to optimize across the value chain from generation across grid markets to customers. This helps position us for further electrification of the energy system as well as further decarbonization of electricity.

Through Archaea, we believe we are uniquely positioned in the US to meet growing demand for biogas as the transition progresses. Our business is integrated across the value chain, enabling us to capture rent as the market evolves. We are building resilience by improving capital efficiency and reducing operating costs and continue to assess and develop new routes to market and customer solutions to create future optionality.

Impact on technology

We are investing in digital and technology solutions that can help to generate value for bp, manage risk and help accelerate the transition through focused scale-up and innovation. This investment includes targeted focus on research and development where bp is and can be differentiated and growing partnerships to increase leverage. We expect our research and development spend to be increasingly focused on technologies with the potential to help identify and access new oil and gas opportunities at lower cost, reduce GHG emissions and enable our low carbon energy businesses. See page 36 for examples of technology investments in 2024.

We recognize the potential for disruptive technologies to impact our strategy. Alongside our research and development investments, our bp ventures portfolio also includes investments in emerging technologies and business models that may help enable the transition to a low carbon economy, including increasing focus on oil and gas technologies.

Physical risk

The potential impacts of the types of physical risks we have identified could include reduced production, throughput or sales – for example as a result of damage to facilities or supply chain disruption – or in a most extreme case loss of life or an asset. Due to uncertainties associated with the impact of climate change on severe weather events in the future, it is difficult to quantify the potential impacts associated with any increase in these risks as a result of climate change.

Having considered both geographic factors and the ability of climate models to adequately represent future trends in physical climate parameters, we seek to take the uncertainties concerning climate-related physical risk into account in our approach to design and operating criteria for existing assets and new major projects★. Where appropriate, we have updated our metocean design criteria to include consideration of both forward-looking and historic models, including climate and synthetic models, in an attempt to mitigate both models and extrapolation uncertainty. The particular models chosen will depend in part on geographic location. See Risk Management, **page 45** for how we manage these uncertainties.

As a step in seeking to improve the resilience of our operations to the physical changes that might result from climate change that we have described above, we have undertaken screening of present-day and future potential physical risk exposure for selected key assets and identified those sites with potential for heightened exposure to physical risks in order to prioritize these for further site-based assessment.

Recognizing the potential impact of climate change and other factors on water resources, as part of our water aim (see **page 60**), we are taking steps to be more efficient in operational freshwater use (read more about water use on **page 60**).

Impacts on our financial planning

Capital allocation: We plan to invest sufficient capital to execute our strategy, enabling us to mitigate the risks and capture the opportunities we have identified. As part of our annual planning processes, we assess the distribution of capital across our business areas, including consideration of market evolution. In February 2025 we announced that we expect capital expenditure to be around $15 billion in 2025; and in a range of $13-15 billion through 2026 to 2027. To help maintain resilience to the pace of transition and access opportunities, we will continue to flex capital as policies, technologies and markets evolve.

Access to capital: While there is potential for concerns about the energy transition to impact banks' or debt investors' appetite to finance hydrocarbon activity, we do not anticipate any material change to funding in the short to medium term. We are committed to strengthening our balance sheet, introducing a net debt target of $14-18 billion[a] by the end of 2027 to further improve credit metrics within the 'A' range. In 2022 we reduced our net debt by over $9 billion and by a further $0.5 billion in 2023. In 2024 net debt increased from $20.9 billion to $23.0 billion, reflecting acquired debt from the bp Bunge Bioenergia and Lightsource bp transactions. Since the end of 2019 we have repurchased around $24 billion of short-dated existing bonds and issued over $12 billion of new bonds with a duration of 20 years or longer, doubling the duration of our debt book. Additionally, we have continued to have good access to the commercial paper markets. We provide more detail on financial risk factors, including liquidity risk in Financial statements – **Note 29**.

Investment criteria: Investments are evaluated against a balanced set of investment criteria - for example assessment of economics includes a set of price assumptions that reflect our view of market evolution (for our key investment appraisal price assumptions, see **page 20**). In addition, the investment economics for all investment cases where bp's share of annual greenhouse gas (GHG) emissions from operations are anticipated to exceed specific thresholds include a carbon price for those emissions, that rises from 2025 levels to $135/te$CO_2$e (2023 $ real) in 2030.

When taking investment decisions we continue to consider six balanced investment criteria – including sustainability (see **page 22**).

Impacts on financial performance and position

Assessing the impact of climate change and the energy transition requires the use of a number of judgements and estimates. We have set out the significant accounting policies, judgements and estimates used in assessing the impact of climate change in Financial statements – **Note 1**.

This includes information on pricing, useful economic lives, timing of implementation of policies or decommissioning provisions, and assumptions related to how each might change over time and how such assumptions may impact our currently reported assets and liabilities.

Our price assumptions, including those set out on **page 20**, reflect a range of future possible scenarios and take account of the potential impact of climate-related risks and opportunities as well as current economic and geopolitical factors. Consequently, impairment losses and impairment reversals consider inputs that arise from climate change and the energy transition. It is not possible to quantify separately the impact of these different inputs on our impairments. However, in conducting our impairment sensitivity tests, that in part reflect transition downside risk, we consider reductions in revenue that, if driven by price alone, would be consistent with prices within the range covered by the 1.5°C scenario family within the WBCSD data sets used for TCFD resilience testing below.

Financial statements – **Note 1** provides information on impairment assumptions and sensitivities. **Note 4** provides information on gains and losses on disposal or closure of business and operations, and impairments and impairment reversals, and **Note 8** provides information on impairment losses relating to exploration for and evaluation of oil and natural gas resources. See Financial statements – **Note 1**, **Note 4** and **Note 8** for more information.

Recommended Disclosure:

c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

We believe our strategy positions bp for success and resilience in a Paris-consistent world – a world that is progressing on one of the many global trajectories considered to be Paris-consistent, and ultimately meets the Paris goals, see **pages 10-11**.

As in 2023, to help test our view of this, we have assessed the resilience of our strategy to different climate-related scenarios, including 1.5°C consistent scenarios. We did this in three steps:

1. First, we evaluated all business areas in our portfolio by i) quantitatively assessing their financial significance, in the context of bp's total financial outlook, to understand the potential scale of financial/strategic impact that could be put at risk if exposed to transition uncertainty, including 1.5°C; and ii) considering whether there is a key variable – such as price, margin or demand – which would represent a principal transition driver of such risk.

a Potential proceeds from any transactions related to *Castrol* strategic review and announcement to bring a strategic partner into Lightsource bp will be allocated to reduce net debt.

2. Second, we quantitatively assessed the impact, to each business area, of potential transition exposure scenarios in 2030 – the point in our planning horizon at which there is widest transition uncertainty.
   - For each of those business areas with both sufficient scale and for which a specific transition risk driver was identified – which collectively represent over 80% of our 2030 adjusted EBITDA★ outlook – we performed a scenario analysis focused on that transition risk driver, across a range of transition pathways[a], including 1.5°C, as set out below and in our methodology summary on **page 53**.
   - For each of the remaining business areas we performed a simplified quantitative scenario analysis, by testing the financial impact of a scenario in which each business area's expected 2030 adjusted EBITDA is assumed to be reduced to zero – an outcome at least as detrimental to that business area's adjusted EBITDA as could reasonably be expected to result from business-as-usual (BAU), well-below-2°C and 1.5°C transition pathways.

   In this way, all business areas were quantitatively tested at, or beyond, a range of transition scenarios.
3. Finally, on the basis of the results of steps 1 and 2, we identified those business areas for which the possible consequences of the downside scenario(s) were sufficiently significant to potentially jeopardize group strategic resilience – the only business areas for which this was found to be the case were oil and gas production with respect to their exposure to oil price. For these business areas we assessed the potential implications for bp's strategic resilience (as defined below) over the full period from 2026 to 2030.

To undertake steps 2 and 3, we identified financial criteria which can be modelled as proxies for strategic resilience – choosing to do this through three lenses consistent with our financial frame (as set out on page 18), being our ability to deliver:

i. a stronger balance sheet that improves our credit metrics within the 'A' grade range;
ii. resilient dividend and sharing of excess cash with shareholders through buybacks over time; and
iii. disciplined investment allocations within our capital frame.

This is not intended to represent a 'definition' of resilience beyond the purposes of this exercise, and a core assumption of this analysis is necessarily that, aside from any implications of the scenarios being tested, including potential controllable mitigations such as capital or cost management that we might naturally expect to take in response, bp will deliver the assumed underlying strategic and financial priorities out to 2030.

Our approach, described in more detail on **page 53**, is directly applicable to transition risks #1 and #2 – as well as their associated opportunities – as these lend themselves to a financially quantified scenario-based analysis. The approach does not directly address transition risk #3 – however, we believe that some of the potential drivers for transition risk #3, namely policy and societal trends, may be implicit in these scenarios, and we believe that the successful execution of our strategy will, over time, help to mitigate this risk to bp as well as positioning us to take advantage of the potential associated opportunities. This scenario analysis exercise also does not directly address climate-related physical risk, our strategic resilience to which is further discussed below.

Key insights from our scenario analysis and resilience test

While the results of any such analysis must be treated with caution – each is necessarily dependent on numerous assumptions and methodological choices, and each has its own limitations – overall, this analysis and resilience test reinforced our confidence in the continued resilience of our strategy to a wide range of transition scenarios, including those consistent with limiting temperature rise to 1.5°C, and in particular, as our greatest transition exposure, to oil price scenarios, tested to 2030.

In undertaking this analysis we observed:

- There is considerable uncertainty across, and often within, each WBCSD Scenario Catalogue family in the pace and nature of the transition to 2030 – and therefore considerable range of potential financial impact across some of the variables selected for the analysis, reflecting the complexity and interdependencies of the energy transition (see table on **page 54**). Generally, we observed that the faster the pace of transition, the greater the uncertainty in the exact shape of the resulting energy system in 2030.
- Oil price is likely to remain the main source of climate-related transition uncertainty for our strategy through to 2030, reflecting both the wide range of potential pathways and the contribution to our expected total adjusted EBITDA over this period, that oil-price-linked businesses represent[a]. In the 1.5°C family, the potential downside suggested by the lowest oil prices is around 30% of group adjusted EBITDA in 2030. However, in a number of the scenarios based on the WBCSD Scenario Catalogue ranges, including those consistent with 1.5°C, well-below 2°C and BAU families, oil price could offer a financial upside relative to our reference 2030 group business outlook.
- Even with the most extreme low oil price environment in any of the scenarios, sustained over the period from 2026-30[b] and taking into account our ability to optimize within the frames set out in our strategy (above), and the spend mitigations that we would naturally be expected to see or to make in a lower oil-price world, in our analysis we are able to deliver across the three lenses we use to consider strategic resilience for TCFD purposes, described above.
- The maximum potential scale of downside impact on our 2030 expected group adjusted EBITDA (across the 1.5°C, well-below 2°C and BAU scenarios) from our other natural gas businesses was around 5%, while from each of our conventional refining, fuels and low carbon activities★ was modelled to be <3%.
- Our diversified portfolio helps mitigate the implications for our strategic resilience of the exposure of any one of the individual business areas to the identified risk. It is reasonable to consider each potential outcome in isolation since the outcomes for different business areas vary across scenarios (see table on **page 54**).
- In a BAU scenario, we believe our strategy mitigates the risk of what we and others have referred to as a 'delayed and disorderly' transition, which might follow in the medium to long term. Should the growth of any one of our in-scope transition business★ areas be challenged by the downside range in the relevant variable, our analysis suggests that the impact of this on group adjusted EBITDA in 2030 would not be sufficient to impact the resilience of our strategy, as described above, in that timeframe.

It is important to note that insights from this analysis are necessarily limited by the scenarios, methodologies and business assumptions used. The analysis should not be taken as a prediction of the future.

a Although such scenarios do not and cannot represent all possible futures, we value them as a simplified and schematic way to consider the potential implications of, and uncertainty inherent within, a range of possible energy transition pathways to a future bp portfolio mix.
b Note that for the purposes of our scenario analysis and resilience test, we have assessed the impact of oil price across both our oil production businesses and those natural gas businesses for which commercial outcomes are linked to oil price.
c Our multi-year (2026-30) oil price resilience test considered sustained low oil prices consistent with the most extreme WBCSD Scenario Catalogue 2025 and 2030 scenarios – for 2025 the UN PRI (Inevitable Policy Response Forecast Policy Scenario) at $54/bbl, and for 2030 the UN PRI (Inevitable Policy Response Required Policy Scenario) at $34.2/bbl (both 2022 $ real, and then inflated in line with bp's other planning assumptions, and intervening years interpolated between the two years).

★ See glossary on **page 351**

Maintaining strategic resilience to the transition

Taking into consideration potential constraints associated with factors such as long-term capital investment, contractual commitments and organizational capabilities at any given time, bp's ability to maintain strategic resilience rests, in part, on the governance used to keep the strategy under review in light of new information and changing circumstances.

To enable us to understand and respond to the changing pace of the energy transition, we monitor and assess key indicators and metrics, such as policy development, renewables installed capacity, EV sales and low carbon technology costs. Our strategy and capital allocation, the associated risks, opportunities and (by association) their implications for our resilience are all reviewed by the bp leadership team and the board and updated as they consider appropriate.

Resilience to physical risk

As described on **page 50**, we have identified a number of physical risks which may affect our business and assets, the frequency or severity of which could be affected by climate change. Exposure to physical climate-related risk is highly dependent on geographical location and on factors such as asset design, and we seek to manage these risks accordingly. We consider that our approach to managing these risks, described in Risk Management Recommended Disclosure b) on **page 47**, supports our strategic resilience to them.

For the purposes of this Recommended Disclosure, we have considered the potential for physical risks to bp-operated assets to increase as a result of climate change (namely, increases in the potential frequency or intensity of extreme weather events) to such an extent as to have the potential to impact the resilience of our strategy. We have undertaken analysis of potential changes in certain physical conditions, such as air temperature, precipitation, sea level rise and wave heights, for our onshore and offshore major operating sites, based on Shared Socioeconomic Pathway[a] (SSP) emission scenarios 1-2.6, 2-4.5 and 5-8.5.

Even in the highest emissions pathway (SSP5-8.5) the results of our analysis suggest that, on the basis of the 50th percentile values and compared to the baseline used (1991-2020), changes in the physical parameters considered are generally unlikely to be significant over the medium term.

There is, however, uncertainty across different scenarios and wider variances were observed when looking at the 5th and 95th percentile values. Where the data do suggest greater potential for climate-related changes in physical conditions, we intend to consider whether further work is necessary to understand the potential for those changes to adversely impact our operations. For example, modelled changes in extreme precipitation by 2030 (50th percentile values) are less than 10% across all onshore major operating sites apart from Oman – where we have already undertaken hydrological studies and flood risk assessments that have supported the development of our operations there.

Our transition risk scenario analysis identified impacts on the earnings of our oil-priced businesses as having the most potential to impact the resilience of our strategy in 2030. Therefore, and viewing resilience through the same lenses that we describe above, we have considered the extent to which our oil and gas production business would need to be impacted by evolving physical risk over the same timeframe for the scale of financial impact to be sufficient to jeopardize the resilience of our strategy out to 2030.

We concluded that a significant proportion of our combined oil and gas portfolio would need to be either permanently or temporarily shut in for strategic resilience to be jeopardized in this way.

Historically, severe weather risks to our operated assets have not occurred at a scale which could reduce earnings so significantly as to jeopardize the resilience of our strategy. As reflected in the latest science from the IPCC, it is in the nature of climate-induced severe weather events that their occurrence, intensity and severity are unpredictable and uncertain. Our own analysis on major operating sites, described above, is consistent with this IPCC view.

Despite this uncertainty, we have found no definitive basis in either the IPCC report or the limited number of detailed studies we have undertaken (see **page 50**), to conclude that climate-change-induced increases in the frequency or severity of severe weather events would be likely to result, at any point in time out to 2030, in disruption and shutdowns across our oil and gas portfolio on a scale that would reduce earnings so significantly as to jeopardize the resilience of our strategy.

For the purposes of this Recommended Disclosure, the resilience of our strategy was considered separately for the relevant transition and physical risks; accordingly, we did not seek to take account of any interdependencies or cumulative effects between the two types of climate-related risk, and the associated potential financial impact.

a SSPs have been developed by the climate change research community to describe plausible major global developments that together would lead in the future to different challenges for mitigation and adaptation to climate change. The SSPs are based on five narratives describing alternative socioeconomic developments, including sustainable development, regional rivalry, inequality, fossil-fuelled development and middle-of-the-road development.

Our approach to testing resilience to transition risk

Most of our analysis focused on our medium-term time horizon (2030) – far enough ahead to provide a divergent range of scenarios, while not so far ahead that it is unrealistic to attempt to generate credible financial metrics for bp, or an individual business area within bp. For the variable(s) considered most significant (see below), we also assessed resilience over the period 2026-30.

Our analysis sought to quantify the potential impact of a range of scenarios, including those consistent with 1.5°C, on bp's currently held (at the time the analysis was completed) internal reference group business outlook to 2030. This outlook is used for internal corporate planning and holds a current deterministic view of our portfolio, activity set, cost and capital frame. The outlook used in our analysis aligned to the strategic direction shared at the 26 February 2025 Capital Markets Update, and the financials are assessed against the financial priorities set out in that announcement.

The steps we took as part of our scenario analysis approach are outlined here at a high level.

1. **Whole company assessment:** We defined, through quantitative analysis, which business areas could have both the financial scale and clear transition exposures to potentially impact bp's strategic resilience.
   a. We assessed the business areas in our portfolio by i) quantitatively evaluating each business area's 'potential significance' by its expected contribution to bp group adjusted EBITDA★ in 2030 and therefore the quantum of financial impact that might be put at risk by transition uncertainty (including pathways consistent with 1.5°C); and ii) by identifying, for each, whether there were primary potential value driver(s) that different transition pathways might impact ('transition risk driver(s)'). This was performed to allocate the most appropriate analysis technique to that business (see 1b and 1c).
   b. Eleven business areas (see table on **page 54**), representing over 80% of our expected 2030 adjusted EBITDA, were identified as both providing a potentially significant financial contribution and facing primary transition risk drivers, and accordingly were subjected to the driver-based scenario analysis set out in steps 2a-2c below.
   c. The remaining business areas were taken forward to a simplified scenario analysis, per step 2d below.
2. **Scenario analysis:** We tested the financial impact of transition on all of bp's business areas in 2030 through either specific 'driver-based' scenario modelling (that includes 1.5°C and current policies), or by 'simplified' conservative scenario analysis, that modelled cases likely to be beyond these ranges.
   a. For the driver-based scenario analysis, we selected the primary transition risk driver(s) for each business area – the variable(s) from the WBCSD Scenario Catalogue representing what we consider to be the primary driver(s) of that business area's exposure to the energy transition. For each transition risk driver, we extracted the full range of 2030 outcomes within each scenario 'family'. Given the global nature of the transition risks and opportunities we have identified, we used the 'world' values in the Catalogue except for gas price (see table on **page 54**).
   b. By calibrating the WBCSD Scenario Catalogue 2030 scenarios to relevant business metrics underpinning our strategic planning (for example, oil price or EV demand/utilization), we modelled the impact of each variable, across the full range of scenarios and each scenario family, on the 2030 expected earnings (adjusted EBITDA) for the associated business area(s). For example, we applied an earnings rule of thumb deemed appropriate to the period in question to the deviation of oil prices in WBCSD versus our reference case price. This analysis was unmitigated (see 'Other key considerations').
   c. This enabled us to assess the potential for each scenario to materially impact group adjusted EBITDA in 2030 (and by implication associated cash flows), against the reference group business outlook. By modelling the specific business area within the reference group business outlook (described in step 1b above), its exposure to the most extreme range of the respective scenario could be assessed to identify which (if any) variables(s) and scenario(s) could have the potential to impact strategic resilience (as defined below) most materially, and as such, which business areas should be carried forward into a multi-year resilience assessment.
   d. For the simplified scenario analysis, we took a simpler conservative approach, by evaluating whether a scenario in which each business area's expected 2030 adjusted EBITDA is assumed to be reduced to zero – an outcome at least as detrimental to that business area's adjusted EBITDA as could reasonably be expected to result from ranges associated with the trajectory of each of the 1.5°C, 2°C or BAU scenario families – could have the potential to impact strategic resilience (as defined below) materially.
3. **Multi-year resilience test:** This step tested bp's resilience to the exposure of any sufficiently material business areas to downside scenarios that may have the potential to jeopardize the ability to generate surplus cash flow★ and a strong cash cover ratio and gearing level – financial metrics that were treated for the purposes of the analysis as representing financial evidence of delivery of bp's strategic financial priorities (see below). From step 2, in 2024, only the exposure to oil price was assessed as sufficiently material in this sense, and hence carried forward for multi-year resilience analysis. Our multi-year (2026-30) oil price resilience test considered sustained low oil prices consistent with the most extreme WBCSD Scenario Catalogue scenarios – interpolating between the minimum price for 2025 (the UN PRI Inevitable Policy Response Forecast Policy Scenario) at \$55.0/bbl, and the minimum for 2030 (the UN PRI Inevitable Policy Response Required Policy Scenario) at \$34.2/bbl (both 2022 \$ real). Other scenarios, from providers such as IEA and NGFS, formed part of the WBCSD data set, but indicated higher prices than the UN PRI cases used.

Other key considerations

- For the purposes of steps 2 and 3, we considered the resilience of our strategy to climate-related transition risk through the three lenses described on **page 51**. We defined the following as proxy indicators for these lenses:
  - Positive group surplus cash flow, to demonstrate whether after funding, among other things, capital spend within our disclosed capital frame (26 February 2025 Capital Markets Update) and a resilient dividend per ordinary share, sufficient surplus cash flow remains to maintain or reduce net debt and such that excess cash can be shared with investors through share buybacks over the period.
  - Healthy cash cover ratio and gearing★ as indicators of the ability to maintain a strong investment grade credit rating.

★ See glossary on **page 351**

- For steps 2 and 3, we made the simplifying assumption that, aside from the driver being modelled, our strategy, operating model, cost basis, volumes, margins, sales proceeds and tax rates would remain unchanged out to 2030[a].
- There are a range of mitigations or actions that we might naturally be expected to experience (e.g. through deflation) or to take in response to external market, price and demand trends, including cost reductions, portfolio adjustments, distributions, capital reallocation or capital reductions within the frames set out in our strategy.
- For step 3, given we would seek to make use of opportunities to maintain our strategic flexibility in the face of the many uncertainties of the energy transition, our methodology retains the optionality in downside scenario modelling to apply some or all of these mitigations.
- The design of a strategic resilience analysis involves numerous methodological choices and assumptions – any one of which could reasonably have been different, leading to different outcomes. We have found value in conducting this analysis; however, we are mindful of the limitations to any such exercise and the highly qualified nature of any conclusions which may be drawn from it. The disclosures provided here should be read in conjunction with the rest of our strategic report, where we discuss how we have developed, and continue to evolve, our approach to strategy.
- As outlined above, we utilized our latest internal reference group business outlook as the basis against which resilience has been tested, as this is our latest deterministic view against which to model the transition sensitivities to 2030 and aligns to the strategic update provided to investors in February 2025. Alongside disclosed elements such as the capital frame range to 2030, this includes shaping assumptions such as future distribution and net debt management.
- Through conducting this analysis, we do not intend to imply or commit to a specific forward trajectory of usage of cash, beyond any disclosed in the investor update in February 2025 or other published strategy updates. While we cannot disclose, for confidentiality reasons, the detail of the deterministic case, the test assesses whether the resilience indicators in our reference group business outlook are impacted by the transition uncertainties tested. Further, by the nature of the timeframes considered, a variety of uncertainties exist around this deterministic case (including transition risk itself).
- Where rules of thumb have been applied, to convert variance in hydrocarbon price to variance in adjusted EBITDA, these are deemed appropriate to the period in question – i.e. they reflect the portfolio's price leverage over the period to 2030. Due to the evolution of bp's portfolio, these rules of thumb may diverge from any short-term rule of thumb that we publish.

WBCSD Scenario Catalogue family ranges for 2030 key transition variables

Business area		TCFD/WBCSD variable	BAU		Below 2°C		1.5°C	
			Min	Max	Min	Max	Min	Max
Oil and natural gas production		Oil price[b] ($2022/bbl)	63.67	85.00	50.00	77.34	34.2	71.12
		Natural gas price[c] ($2022/mmbtu)	3.77	4.38	2.50	4.38	2.40	5.24
Refining	**– refined oil demand**	Primary energy demand for oil (% vs 2020)	-0.2	14.2	1.6	6.4	-18	-1
	– biojet demand	Final demand for liquid biofuels in aviation (EJ/yr)	0.16	0.5	0.16	1.01	0.25	1.51
Biogas		Biogas demand in road transport (EJ/yr)	0.00	0.19	0.01	0.29	0.00	0.35
bp bioenergy		Biofuel consumption in transport (EJ/yr)	0.84	6.05	0.84	7.08	1.45	7.12
EV charging		Final energy demand for electricity in road transport (EJ/yr)	3.02	6.97	3.86	6.90	3.64	7.08
Aviation fuel sales		Liquid fuel consumption in aviation (EJ/yr)	14.67	16.99	13.85	16.91	11.94	14.61
Conventional fuels retail		Final energy demand for liquid oil in road transport (EJ/yr)	75.09	81.65	74.35	76.82	59.00	73.41
Conventional fuels midstream								
Conventional road lubricants								
Renewables		Renewable capacity additions (GW vs 2020)	3,969	7,217	3,024	8,223	4,002	10,473
Hydrogen production		Hydrogen consumption (Mt/yr)	3.97	12.67	4.18	25.45	5.68	70.00

For the other business areas not shown above, we applied the generic scenario analysis methodology described in point 2d on **page 53**, thereby ensuring coverage of all of bp's business areas.

a For the purposes of resilience testing, *Castrol* is included in the underlying reference plan being assessed, pending the outcome of its strategic review.
b Oil price sensitivities have been applied to the oil and gas production portfolio that is linked to oil marker prices – as such it not only reflects oil production exposure, but also a proportion of bp's natural gas production that is contracted off oil marker prices.
c Gas prices shown reflect Henry Hub price ranges. Where available in the TCFD/WBCSD data sets Asian and UK gas price sensitivities have also been selected and compared to the Henry Hub sensitivity percentages with the maximum deviation selected and applied to the respective Asian and NBP rules of thumb for these parts of the gas portfolio, in order to provide the most conservative uncertainty range.

Metrics and targets

TCFD Recommendation:

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

We present the principal group-wide metrics and targets used to assess and manage climate-related risks and opportunities in line with our strategy and risk management process below, with metrics and targets mapped to the most relevant of TCFD's cross-industry, climate-related metric categories (such as 'transition risks'). The metrics and targets themselves are disclosed at the most appropriate locations in this strategic report.

TCFD recommended disclosures – metrics and associated targets/goals

a) Disclose the metrics used by the organization to assess material climate-related risks and opportunities in line with its strategy and risk management process.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.
Transition risks	
• Note 5 to Financial statements: Segmental analysis. Segment revenue (in table), **pages 167-171** • Estimated net proved reserves and production (net of royalties), **page 37** • Note 4 to Financial statements: Disposals and impairments, **page 164** • Note 8 to Financial statements: Impairment losses (in table), **page 172** • Oil and natural gas prices used for value-in-use impairment testing and recoverability of asset carrying values, **pages 152 and 256.**	Net zero operations★ (including methane), **page 38** Net zero sales★, **page 39**
Physical risks	
• Number of major operating sites in regions with high to extremely high water stress, **page 47** • Freshwater withdrawals and consumption at major operating sites in regions with high or extremely high water stress, **page 60**	Water, **page 60**
Climate-related opportunities	
• 2024 metrics, **page 9** (in table with **TCFD**) • Note 5 to Financial statements: Segmental analysis. Segment revenue (in table), **pages 167-171** • Renewables – installed capacity, developed to final investment decision and pipeline, **page 28**	Net zero operations (including methane), **page 38** Net zero sales, **page 39**
Capital deployment	
• Financial frame, **page 18** • Price assumptions, key investment appraisal assumptions, **page 20** (in table, indicated with **TCFD**) • Amount invested in transition, **page 39** • Additional information – capital expenditure by segment, **page 312** • Note 7 to Financial statements: expenditure on research and development (in table), **page 171** • Note 8 to Financial statements: exploration and evaluation costs (in table), **page 172**	Investment in non-oil and gas, **page 21** Transition investment, **page 39**
Internal carbon prices	
• Internal carbon price, **page 20**	
Remuneration	
• Directors' remuneration report metrics: operated carbon emissions, **page 96**	Incentivizing employees, **page 59**
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
GHG emissions	
• Key performance indicators (relevant KPIs shown with **TCFD**), **page 14**[a] • Scope 1 and 2, in SECR table **page 40** • Ratio of Scope 1 and 2 emissions: gross production, in SECR table **page 41** • Scope 3 (related to category 11) emissions **page 39**[b] • TCFD: risks as described in Strategy A, **page 47** • Risk factors, **page 65** • A further breakdown of our GHG and energy data by business group is available in the *bp ESG Datasheet 2024* at **bp.com/ESG**.	Net zero operations (including methane), **page 38** Net zero sales, **page 39**

a These are our KPIs for the purposes of our disclosures pursuant to the UK CFD Regulations and Section 414CB (2A) (h) of the Companies Act 2006.
b In determining the Scope 3 emissions that are 'appropriate' to be disclosed for the purposes of this Recommended Disclosure, we have considered this term in the context of the recommendation to disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities. For 2024, the relevant target that we used in respect of Scope 3 emissions was bp's net zero production★ aim (aim 2), which was aligned to category 11 of Scope 3.

★ See glossary on **page 351**

Our approach to sustainability

Our approach to sustainability is built on strong foundations that guide the way we work and support our net zero, people and planet aims.

Safety comes first

At bp, safety comes first. We want to improve our safety performance and work towards our goal to eliminate fatalities, life-changing injuries and tier 1 process safety events.

We deeply regret the fatality and four life-changing injuries that occurred at bp in 2024. In October, an employee of our recently acquired bp bioenergy business in Brazil[a] was fatally injured during an operational activity. In May, a contractor in our wells business in Trinidad and Tobago and an employee at our TravelCenters of America business in the US[b] suffered life-changing injuries during manual activities. In September, at our *Thorntons* retail business in the US, two employees suffered life-changing injuries during an incident with a member of the public who was carrying a firearm.

We have offered our support to the employees and families affected. We want to learn from these incidents to help drive further improvements in safety.

Keeping people safe

We monitor and report on key workforce personal safety metrics in line with industry standards. We include both employees and contractors in our data.

In 2024 our recordable injury frequency (RIF) increased by 8.5% compared to 2023. bp businesses have identified underlying themes for these injuries and developed plans intended to help reduce then in the future.

In 2024 following the roll-out of International Association of Oil & Gas Producers' (IOGP) Life-Saving Rules to help improve safety performance, we started measuring their effectiveness in operational businesses that implemented them in 2023, and work continued to embed them in other operational businesses through safety inductions, team talks and control of work systems.

RIF key performance indicator, **page 14**

Driving safety

Driving continues to be one of the biggest personal safety risks we face at bp. In 2024 five severe vehicle accidents occurred, a decrease from seven in 2023. The number of kilometres driven fell by 11% over the same period.

	2024	2023	2022
Severe vehicle accident rate per million km driven	**0.022**	0.023	0.037

Our Operating Management System[c]

Our Operating Management System (OMS)★ provides a single framework for delivering safe, reliable and compliant operations. Our OMS sets out the way in which our businesses within our operational control around the world are expected to understand and manage their environmental and social impacts, including requirements on engaging with stakeholders who may be affected by our activities.

We review and amend these requirements from time to time to reflect our priorities. Any variations in the application of our OMS, in order to meet local regulations or circumstances, are subject to a governance process[c].

Our OMS requires each of bp's operating businesses to create and maintain its own OMS handbook, describing how it will carry out its local operating activities.

We use a 'three lines of defence' model to facilitate the effective management of all types of risk, including safety. The nature and extent of first, second and third lines of defence activities are based on the type and level of risk.

Preventing incidents

We carefully plan our operations with the aim of identifying potential hazards and having rigorous operating and maintenance practices applied by capable people to manage risks at every stage. We design our new facilities in line with process safety, good design and engineering principles. We track our process safety performance using industry-aligned metrics such as those found in the American Petroleum Institute recommended practice 754 and the IOGP recommended practice 456.

Our combined reported tier 1 and tier 2 process safety events★ (PSEs) have generally decreased over the last 12 years, apart from in 2019. Our total reported PSEs for 2024 was 38 compared to 39 in 2023. Although we reported more tier 2 PSEs, 35 compared with 30 in 2023, we reported our lowest number of tier 1 PSEs in 2024 as 3 (2023 9).

Our central health, safety, and environment incident investigations team investigates serious or complex incidents, which may include near misses, and we also use leading indicators, such as inspections and equipment tests, to monitor the strength of controls to prevent incidents.

In 2024 we made further progress in preventing and reducing oil spills. There were 96 oil spills, compared with 100 in 2023. Although portfolio changes may affect the overall baseline of our operations, our goal is still the elimination of tier 1 PSEs.

	2024	2023	2022
Tier 1 and tier 2 process safety events★	**38**	39	50
Oil spills – number	**96**	100	108
Oil spills – contained	**49**	52	57

a In October 2024 bp acquired the remaining 50% of bp Bunge Bioenergia. Shortly after the acquisition was completed, an incident occurred which resulted in a fatality. At the time of publication, bp bioenergy safety processes were still being integrated into bp's reporting processes, during an initial transition period for acquired businesses, and as such, this fatality is not included in reported fatality data for 2024.
b At the time of publication, during an initial transition period for these acquired businesses, Archaea Energy, TravelCenters of America, Lightsource bp and bp bioenergy safety reporting processes were still being integrated into bp's safety reporting processes and as such, their safety performance data is not included in reported data for 2024.
c For recently acquired businesses, there is typically a transition period while bp's operating standards, as set out in OMS, are integrated or aligned.

Emergency preparedness

The scale and geographical spread of our operations mean we must be prepared to respond to a range of possible disruptions, including emergency events. We maintain disaster recovery, crisis and business continuity management plans and work to build day-to-day response capabilities to support local management of incidents. We test our plans and preparedness through exercises that simulate real-life scenarios. In 2024 we conducted in the region of 25 exercises in countries including Indonesia and the US.

Security

We protect our people, assets and operations, and manage security through a threat-driven, risk-based approach. We continuously monitor threats from activism, civil unrest or political instability, terrorism, armed conflict, and criminal and cyber activity. Our 24-hour intelligence and response information centre in the UK monitors global security risk in real time. It helps us to assess the safety of our people and provide them with practical advice if there is an emergency.

Cyber security

The severity, sophistication and scale of cyber attacks continue to evolve. Increasing digitization, the emergence of new technology such as generative artificial intelligence, and reliance on IT systems and cloud platforms makes managing cyber risk a priority for many industries, including our own. Direct or collateral impact can come from a variety of cyber threat actors, including nation states, criminals, terrorists, hacktivists and insiders. As in previous years, we have experienced threats to the security of our digital systems and our barriers have worked well to mitigate and contain them to minimize any impact on our business.

We have a range of measures to manage this risk, including the use of cyber security policies and procedures, security protection tools, threat monitoring and event detection capabilities, and incident response plans. We conduct exercises to test our response to, and recovery from, cyber attacks. We collaborate closely with governments, law enforcement and industry peers to understand and respond to threats.

To encourage vigilance among our employees, our extensive cyber security training courses and awareness programmes provide regular education on a wide range of topics such as phishing and the correct classification and handling of our information. We also use a cyber barometer tool to empower individual risk mitigation.

How we manage risk, **page 61**
Additional disclosures – cyber security, **page 336**

Working with contractors

Through documents that help bridge our health, safety and environmental policies and those of our contractors, we define the way our OMS co-exists with systems used by our contractors to manage risk on a site. We conduct risk-based quality, technical, health, safety and security audits before awarding contracts. Once contractors start work, we continue to monitor their safety performance. Our OMS includes requirements and practices for working with contractors. Our standard model contracts include health, safety and security requirements. We expect and encourage our contractors and their employees to act in a way that is consistent with our code of conduct and take appropriate action if those expectations, or their contractual obligations are not met.

Our partners in joint arrangements

We monitor performance and how risk is managed in our joint arrangements★, whether we are the operator or not. In joint arrangements where we are the operator, our OMS, code of conduct and other policies apply.

We aim to report on aspects of our business where we are the operator – as we directly manage the performance of these operations.

Where we are not the operator, our OMS is available as a reference point for bp businesses when engaging with other operators and co-venturers. We have a group framework to assess and manage bp's exposure risks from our participation in these types of arrangements.

Where appropriate, we may seek to influence how risk is managed in arrangements where we are not the operator.

The people, culture and governance committee reviews workforce policies and practices and their alignment with bp's strategy, purpose, beliefs and culture, and conducts workforce engagement measures.

People, culture and governance committee report, **page 86**

Our people

Workforce by gender

	Male		Female		Female %	
As at 31 December 2024	**2024**	2023	**2024**	2023	**2024**	2023
Board directors	**5**	6	**6**	6	**55**	50
Leadership team	**5**	4	**5**	7	**50**	64
Group leaders	**186**	193	**100**	102	**35**	34
Subsidiary★ directors	**519**	384	**253**	174	**33**	31
All employees[a]	**62,000**	51,800	**38,300**	35,900	**38**	41

Number of employees

As at 31 December 2024	**2024**	2023	2022
Gas & low carbon energy	**6,500**	4,800	4,200
Oil production & operations	**9,200**	8,800	8,600
Customers & products[b]	**73,100**	63,400	44,700
Other businesses & corporate	**11,700**	10,800	10,100
Total[c]	**100,500**	87,800	67,600

a Some employees have not disclosed gender, therefore are not included in this total.
b This figure includes bp bioenergy, which bp took full ownership of in 2024.
c For 2024, this figure reflects new acquisitions and companies we have taken full ownership of including bp bioenergy and Lightsource bp.

★ See glossary on **page 351**

Our culture

We want to build a culture that supports all of our employees and promotes inclusion, wellbeing and development.

Our culture frame, 'Who we are', defines what we stand for and is integrated into our code of conduct and our approach to diversity, equity and inclusion. We maintain oversight of our culture by measuring employee sentiment and encouraging employees to use our speak-up channels. Read more about the board's role in overseeing bp's culture on **page 87**.

Developing our people

Our people are crucial to delivering our purpose and strategy. We invest to ensure we have the right people with the right skills from diverse backgrounds, and we provide training, development and competitive rewards for them.

In 2024 bp employees collectively completed more than 1.2 million hours of formal learning (2023 1.3 million hours). This learning takes place within a development frame applicable to all employees. It covers safety, technical, leadership, digital and skills training relevant to our businesses. Our development offer also includes our mandatory curriculum focused on compliance with applicable laws and regulations as well as conformance with bp's internal standards.

Building an inclusive culture

Part of our people aim is to foster an inclusive culture with an employee workforce that reflects the communities where we work. To deliver our strategy we believe we need to capitalize on the diversity of perspectives, backgrounds, skills and experiences within our workforce.

Improving representation

We make all employment decisions based on merit without regard to gender, race, age, disability, or any other protected status.

In December 2024 five of the 10 positions in our leadership team were held by women. Our global ambition is to reach gender parity for the top levels of leadership (top 120 roles) by 2025 and parity for all executive-level employees (group leaders) by 2030. We also have a global ambition of 40% female representation for the next layer of senior leadership (senior-level leaders) by 2030. In 2024 35% of group leader roles were filled by women (2023 34%). We have made progress on our ambition to increase minority representation. In 2024 35% of our group leaders came from countries other than the UK and the US (2023 33%).

bp Gender and Ethnicity Pay Gap Report, **bp.com/ukgenderpaygap**

In line with UK reporting requirements, we disclose information against external targets on the representation of women and ethnic minorities on our board and executive management. Read more on diversity reporting and the Parker Review on **page 71**.

Composition of the board, **page 72**

Diversity reporting in line with the Listing Rules, **page 111**

Inclusion

To promote an inclusive culture, we support employee-run business resource groups (BRGs) in areas such as age diversity, social mobility, gender, ethnicity, and disability.

As well as bringing employees together, these groups contribute to our inclusive culture, provide a representative voice for employees and highlight and celebrate the achievements of different groups. Each group is sponsored by a member of the bp leadership team and open to all employees.

We aim to provide equal opportunity in recruitment, career development, promotion, training and reward for all employees – regardless of ethnicity, national origin, religion, gender, age, sexual orientation, marital status, disability or any other characteristic protected by applicable laws.

Supporting disabled employees

We continue to take steps to help improve the experience of the workplace for our neurodivergent employees and those with disabilities, offering:

- Inclusive recruitment training, disability and neurodiversity awareness sessions, as well as specific internships and apprenticeships.
- Access to assistive technology support (such as voice recognition software, screen readers and AI software) for all employees.
- Improved accessibility in communications, ensuring bp's brand visual standards are more accessible.

To help meet the requirements of our employees we work closely with our employee-led disability, neurodiversity and mental wellbeing BRGs.

If existing employees become disabled, our policy is to engage and use reasonable accommodations or adjustments to enable continued employment.

We have partnerships to help source talent, assist with research and training and support students with disabilities to build the skills they need to access the workplace. Our partners include the National Organization on Disability in the US, and the Business Disability Forum in the UK.

Employee engagement

Our managers hold team and one-to-one meetings with their team members, complemented by formal processes through works councils in parts of Europe.

We regularly communicate with employees on factors that affect bp's performance, and seek to maintain constructive relationships with labour unions formally representing our employees.

We monitor employee sentiment through our Pulse annual employee survey, which is sent to all eligible employees, and through our Pulse live survey, which is sent to a representative sample of employees weekly. In 2024 our overall engagement metric, employee engagement, decreased to 70%, in line with 2022 levels (2023 73%).

We will continue to develop engagement plans based on feedback from the annual and weekly surveys to help us deliver on safety, and meet our strategic objectives and our 2025 targets, focusing on three areas to drive improvement – psychological safety, competitiveness and understanding of our strategy and performance.

Our employee engagement key performance indicator, **page 17**

How the board engaged with the workforce, **page 78**

Workforce health and wellbeing

We include an employee wellbeing index in our Pulse annual employee survey and weekly Pulse live surveys. Results from 2024 showed that employee wellbeing increased to 73% (2023 72%).

We continued to take action to create workplaces where people can talk openly about mental health and get help if they need it, with campaigns focused on wellbeing and inclusion. We continued the roll-out of mental health training targeted at group leaders, to progress our 2025 aim to train 100% of leaders on key mental health challenges.

Linking remuneration to sustainability TCFD

Our annual bonus for all eligible employees[a], including the bp leadership team, has been linked to a sustainability measure since 2019.

The bonus scorecard for 2025 against which our eligible employees are measured incentivizes them through three themes: safety and sustainability (30%, of which sustainability makes up 15%); operational performance (15%); and financial performance (55%). For 2025 our sustainability measure is linked to our operated carbon emissions. This measure covers Scope 1 and 2 emissions reported as part of our net zero operations★ aim (see **page 38**).

Our 2022-24 long-term incentive plan scorecard also linked to our operated carbon emissions performance and, for group leaders[b], two social measures were included.

As with the bonus scorecard, for 2025-27 we use an absolute percentage reduction in operational emissions against our 2019 baseline as the basis for measuring progress against our net zero operations aim in our long-term scorecard.

Directors' remuneration report, **page 88**

Share ownership

We encourage employee share ownership and have a number of employee share plans in place. For example, we operate a ShareMatch plan, matching bp shares purchased by our employees. We also make annual share awards as part of our total reward package all for senior and mid-level employees globally, and a portion of our more junior professional grade employees.

Ethics and compliance

Our code of conduct

Our code sets standards and expectations for how we do the right thing and empowers our employees to speak up without fear of retaliation. It is the foundation of 'Who we are', our culture frame and puts safety first. Together with our Safety Leadership Principles and OMS★, our code helps us make safe and ethical decisions, act responsibly, comply with applicable laws and deliver on our sustainability frame.

Our code applies to all bp employees, officers and board members[c]. Regular mandatory training and communications help employees understand how to apply our code and how to raise questions or concerns.

All bp employees are required to confirm annually that they have read and understand our code and complied with its principles. We expect and encourage all our contractors and their employees to act in ways that are consistent with it.

Any concerns or enquiries can be raised through multiple speak-up channels. These include line managers, senior leaders[d], and contacts in our people & culture, ethics & compliance or legal teams. We also have a confidential global helpline, OpenTalk. It is available for employees, the wider workforce, communities, business partners and other stakeholders and can be accessed all day, every day by telephone or internet and in 75 languages. In most locations, anyone has the right to contact OpenTalk anonymously except where this is prohibited by law.

Any instances where we believe individuals have fallen short of our expectations, set out in our beliefs, 'Who we are' and our code of conduct, are taken very seriously and, where appropriate, a formal investigation is carried out.

We may take action in response to reported concerns to help proactively mitigate issues around misconduct. We follow a defined disciplinary process and will issue sanctions where appropriate. These may include measures ranging from coaching or training, formal reprimands to dismissal.

We received more than 2,800 concerns or enquiries through these channels in 2024 (2023 2,250). In 2024 around 250 separations resulted from non-conformance with our code or unethical behaviour[e].

As in 2023 the most frequently raised concerns in 2024 related to bullying, harassment and discrimination, with these accounting for around 60% of all concerns. The second most common concerns related to health, safety, security and environment.

bp.com/codeofconduct

Anti-bribery and corruption

We operate in parts of the world where bribery and corruption present a high risk, so it is important that we engage with our employees, contractors, suppliers and others to emphasize our commitment to ethical and compliant operations is unwavering.

Our code of conduct explicitly prohibits engaging in bribery or corruption in any form.

Our group-wide anti-bribery and corruption policies and procedures include measures and guidance to assess risks, understand relevant laws and report concerns. They apply to all bp-operated businesses.

We provide appropriate training including for those employees in locations or roles assessed to be at a higher risk of bribery and corruption.

In 2024 around 5,900 employees completed anti-bribery and corruption training as part of our ethics and compliance risk-based learning. This is lower than the 10,500 employees trained in 2023, due to the rolling cadence we use to assign training.

We also conduct anti-bribery compliance audits on selected suppliers to assess their conformance with our anti-bribery and corruption contractual requirements. We take corrective action with suppliers and business partners who fail to meet our expectations, which may include terminating contracts. In 2024 we issued 32 ABC supplier audit reports (2023 31).

Political donations and activity

We prohibit the use of bp funds or resources to support any political candidate or party. We recognize the rights of our employees to participate in the political process and these rights are governed by the applicable laws in the countries where we operate. Our stance on political activity is set out in the bp code of conduct.

In the US we provide administrative support for the bp employee political action committee (PAC) – a non-partisan, employee-led committee that encourages voluntary employee participation in the political process. The bp employee PAC is governed by a board of directors and administrative by-laws. All contributions made by the bp employee PAC are weighed against its criteria for candidate support and reviewed for legal compliance before funds are sent to the recipients requested by our employees, and are publicly reported in accordance with US election laws. Contributions made by the PAC are from employee contributions and not bp funds.

Tax transparency

Our code of conduct informs the responsible approach we take to managing taxes. We have adopted the B Team responsible tax principles and we engage in open and constructive dialogue with governments and tax authorities.

We comply with the tax legislation of the countries in which we operate and we do not tolerate the facilitation of tax evasion by people who act for or on behalf of bp.

We are committed to transparency around our tax principles and the taxes we pay. We paid \$10.6 billion in corporate income and production taxes to governments in 2024 (2023 \$11.9 billion).

bp Tax Report, **bp.com/tax**

Key

TCFD	TCFD Recommendations and Recommended Disclosures

a The number of employees eligible for a cash bonus in 2024 was around 38,000.
b Group leaders are our most senior leaders. Their roles include operational, functional and regional leadership.
c For recently acquired businesses, there is typically a transition period while bp's ethics and compliance standards, as required in our code, are integrated or aligned.
d Senior leaders are the leadership tier below group leaders. They typically manage larger teams or are recognized as technical or functional experts.
e This total excludes exits of contractors, suppliers and vendors.

Trade associations

Trade associations play a key role in fostering collaboration, sharing learning and bringing stakeholders together. We periodically assess the alignment of key associations with our position on climate. In 2024 we reviewed 36 of our most significant trade associations memberships. We found that 29 associations aligned with our climate positions, and seven were ‘partially aligned’. Our priority is to influence within trade associations, but we may publicly dissent or resign our membership if there is material misalignment on high-priority issues.

bp.com/tradeassociations

People and planet.

Improving people’s lives

We want to support employees our wider workforce and local communities.

People

Our aim is to support our employees and local communities through the energy transition by:

- Equipping employees with skills that can improve their access to opportunities in the energy transition.
- Developing targeted just transition plans[a] for select assets or regions, that help manage potential impacts on and opportunities for people as we transition.
- Fostering an inclusive culture with an employee workforce that reflects the communities where we work (read more on **page 58**).

We support the goals of the Paris Agreement, which recognize the importance of a just transition – one that delivers decent work, quality jobs and supports the livelihoods of local communities. We report on our work to equip employees with the skills they need through the energy transition and how we are helping enable a just transition in the *bp Sustainability Report 2024*.

Human rights

We believe everyone deserves to be treated with fairness, respect and dignity. We strive to conduct our business in a responsible way, respecting the human rights of our workforce and those living in communities potentially affected by our activities.

We set out our commitments in our human rights policy and code of conduct. Our policy aligns with the UN Guiding Principles on Business and Human Rights.

It is underpinned by the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, including its core conventions.

To support our teams, we provide human rights training and other awareness-raising activities. In 2024 this included training for our procurement teams to identify suppliers in high-risk goods and high-risk services categories.

bp.com/humanrights

Caring for the planet

We want to make a positive difference to the environment in which we operate.

Biodiversity

We understand international concern regarding the global decline in biodiversity and recognize that our businesses can have impacts and dependencies on nature.

We aim to support biodiversity where we operate[b], by:

- Aiming to achieve a net positive impact (NPI) on all new in-scope[c] projects.
- Implementing biodiversity enhancement plans at our major operating sites.
- Collaborating with others to support selected biodiversity restoration projects.

Building on the work we did in 2022 to finalize our NPI methodology for use on new, in-scope projects, we have made consistent progress over the past few years in our work to apply it. By the end of 2024 seven of our projects were developing NPI plans.

bp.com/biodiversity

Water

We aim to reduce our net freshwater use in stressed catchments where we operate[b], by:

- Being more efficient with freshwater use in our operations.
- Collaborating with others to replenish freshwater in stressed[d] catchments.

We anticipate that by 2028, our freshwater withdrawal in stressed catchments will be covered by freshwater management plans.

To understand our water-related challenges, we review water impacts, risks and opportunities at our operating sites. These reviews consider the quantity and quality of water used as well as any applicable regulatory requirements.

Our water consumption in 2024

We saw a 15% fall in freshwater withdrawals (excluding once through cooling water)[e] and a 17% fall in freshwater consumption, compared with our 2020 baseline[f]. Reductions in 2024 were achieved through the use of non-freshwater sources in bpx energy Eagle Ford, US.

At our major operating sites, 11% (2023 73%) of our total freshwater withdrawals and 20% (2023 36%) of freshwater consumption were from regions with high or extremely high water stress in 2024. This is significantly lower than 2023 due to two changes. One refinery is in a region of medium-high water stress and therefore no longer reaches the threshold. Separately, we reviewed the status of two other refineries using site-specific local data sources in 2024, this resulted in one of those refineries being reclassified as not being in an area of high water stress, the other reviewed refinery remained in an area of high water stress.

Air emissions

We monitor our air emissions – sulphur oxides, nitrogen oxides and non-methane hydrocarbons – and, where possible, put measures in place to reduce the potential impact of our operational activities on local communities and the environment. In 2024 our total air emissions were 9% lower compared to 2023.

bp.com/ESGdata

a We will work to develop just transition plans with input from potentially affected stakeholders to help manage social risks and opportunities.
b At our new in-scope bp-operated projects and major operating sites.
c New bp-operated in-scope projects where planned activities have the potential for significant direct impacts on biodiversity are required to develop NPI action plans for those activities.
d The threshold bp is now using for stress is based on a water stress level of ‘high’ or above, as defined by the WRI Aqueduct Water Atlas. bp determines areas of water stress using either the WRI Aqueduct Water Atlas or using site-specific local data sources.
e Following an update in 2024 to the basis for calculating freshwater withdrawal to align with the basis for calculating freshwater consumption and improve clarity and consistency, metrics based on freshwater withdrawal data have been restated for the years 2020-2023 to reflect the exclusion of once through cooling water, including the 2020 baseline.
f The restated 2020 baseline for freshwater withdrawal is 96.4 million m^3 per year and for freshwater consumption is 55.9 million m^3 per year.

How we manage risk and risk factors

How we manage risk

bp manages, monitors and reports on the principal risks and uncertainties we have identified that can impact our ability to deliver our strategy. These are described in Risk factors on **page 65**.

bp's system of internal control is a holistic set of internal controls that includes policies, processes, management systems, organizational structures, culture and standards of conduct employed to manage bp's business and associated risks.

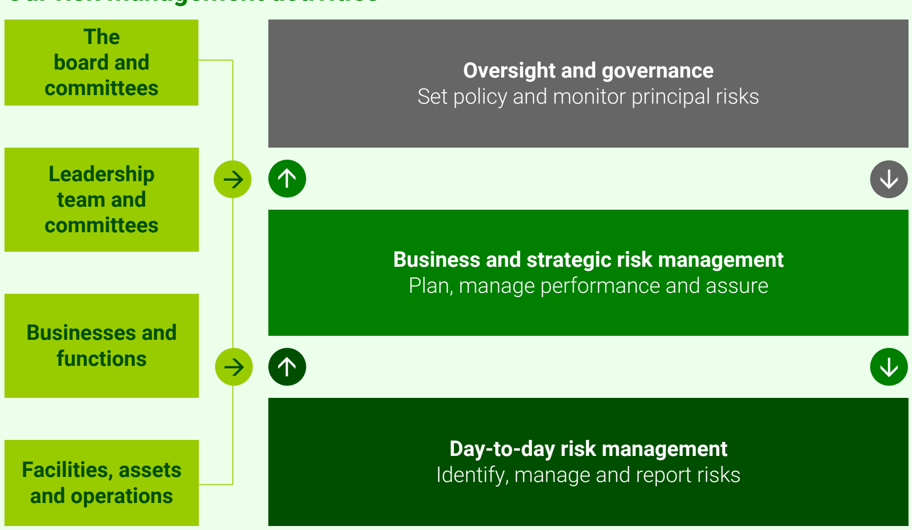
bp's risk management system

bp's risk management system and risk management policy are designed to provide a consistent and clear framework for managing and reporting risks from the group's business activities and operations to management and to the board.

The system seeks to avoid incidents and enhance business outcomes by allowing us to:

- Understand the risk environment, identify the specific risks and assess the potential exposure for bp.
- Determine how best to deal with these risks to manage overall potential exposure.
- Manage the identified risks in appropriate ways.
- Monitor and seek assurance over the effectiveness of the management of these risks and intervene for improvement where necessary.
- Report up the management chain and to the board on a periodic basis on how principal risks are being managed, monitored and assured, with any identified enhancements that are being made.

Our risk management activities



Risk oversight and governance

Our key risk oversight and governance committees include:

Board and committees

- bp board.
- Audit committee.
- Safety and sustainability committee.
- Remuneration committee.
- People, culture and governance committee.

Leadership team and committees

- Leadership team meeting – for oversight and for strategic and commercial risks.
- Group operations risk committee – for health, safety, security, environment and operations integrity risks.
- Group financial risk committee – for finance, treasury, trading and cyber risks.
- Group disclosure committee – for financial and non-financial reporting risks.
- People and culture committee – for employee risks.
- Group ethics and compliance committee – for legal and regulatory compliance and ethics risks.
- Group sustainability committee – for non-operational sustainability risks.
- Resource commitment meeting – for investment decision risks.
- bp quarterly internal audit meeting – for assurance on the oversight of bp's principal risks.

bp governance framework, **page 75**, board activities, **page 76**, committee reports, **pages 80-90** and risk management and internal control, **page 112.**

Acquired businesses

Integration plans are developed to transition acquired businesses into bp's system of internal control and risk management framework, over an appropriate timeframe.

How we manage risk and risk factors continued

Day-to-day risk management

Management and employees at our facilities, assets, and within our businesses (including supply, trading and shipping) and functions seek to identify and manage risk, promoting safe, compliant and reliable operations. bp requirements, which take into account applicable laws and regulations, underpin the practical plans developed to help reduce risk and deliver safe, compliant and reliable operations as well as greater efficiency and sustainable financial results.

Business and strategic risk management

Our businesses and functions integrate risk management into key business processes such as strategy, planning, performance management, resource and capital allocation and project appraisal. They do this by using a standard framework for collating risk data, assessing risk management activities, making further improvements and in connection with planning new activities.

Oversight and governance

Throughout 2024, management, the leadership team, the board and relevant committees provided oversight of how principal risks to bp were identified, assessed and managed. They supported appropriate governance of risk management including having relevant policies in place to help manage risks.

Such oversight may include internal audit reports, group risk reports and reviews of the outcomes of business processes including strategy, planning and resource and capital allocation. bp's group risk team analyses the group's risk profile and maintains the group's risk management system. bp's internal audit team provides independent assurance to the chief executive and board as to whether the group's system of internal control is adequately designed and operating effectively to respond appropriately to the risks that are significant to bp.

Risk management processes

We aim for a consistent basis of measuring risk to:

- Establish a common understanding of risks on a like-for-like basis, taking into account potential impact and likelihood.
- Report risks and their management to the appropriate levels of the organization.
- Inform prioritization of specific risk management activities and resource allocation.

bp's risk management policy sets out requirements for the group to follow. These requirements support the consideration of three risk types:

- Strategic and commercial.
- Safety and operational.
- Compliance and control.

Risk identification – businesses and functions identify risks across the risk types. Risks are identified on an ongoing basis – this can be done using a range of approaches including workshops, subject-matter expertise, hazard identification processes and engineering requirements.

Risk assessment – identified risks are assessed for potential impact and likelihood across a number of criteria, including health and safety, environmental, financial and non-financial (includes reputation and regulatory impact levels).

This aims to provide a consistent basis for the evaluation of potential impact and likelihood, facilitating a comparison across different risks.

Risk management and monitoring – risk management activities are prioritized where improvements are needed based on a number of factors, including the risk assessment, strength of existing risk management measures, strategy and plans and legal and regulatory requirements.

Risk management measures, including mitigations, are identified for each risk and monitored to the extent considered appropriate. To support leadership oversight of decisions relating to risk management, the appropriate organizational level (EVP, SVP, VP) are notified of risks and asked to endorse risk management plans, depending on the assessed potential impact and likelihood.

As part of bp's annual planning process, the leadership team and the board review the group's principal risks and uncertainties. These may be updated during the year in response to changes in internal and external circumstances.

There can be no certainty that our risk management activities will mitigate or prevent these, or other risks, from occurring. Further details of the principal risks and uncertainties faced are set out in Risk factors on **page 65**.

Our risk profile

The nature of our business operations is long term, resulting in many of our risks being enduring in nature. However, risks can develop and evolve over time and their potential impact or likelihood may vary in response to internal and external events. These may include emerging risks which are considered through existing processes, including emerging risk communications to the board, bp's risk management system, *bp Energy Outlook*, bp's technology-related news and insights publications, ongoing emerging technology scanning and group strategic reviews.

We describe above how risks are managed. The following section provides examples of the particular risk management activities for each of bp's principal risks.

Strategic and commercial risks

Prices and markets

Our financial performance is impacted by fluctuating prices of oil, gas and refined products, technological change, climate policies and regulations, exchange rate fluctuations, and the general macroeconomic outlook.

Our strategy is designed to accommodate a range of scenarios and be resilient to the volatility in the energy markets. This is supported through a diversified portfolio, a strong balance sheet and operating within a resilient and disciplined financial frame. We test our investment and project development costs against a range of pricing and exchange assumptions.

Accessing and progressing hydrocarbon resources and low carbon opportunities

Inability to access and progress hydrocarbon resources and low carbon opportunities could adversely affect delivery of our strategy.

For hydrocarbon resources our subsurface team is accountable for the delivery of high-value, carbon-efficient resources to deliver predictable and reliable investments today, as well as the long-term renewal of our hydrocarbon resources. Additionally, the subsurface team partners with technology to prioritize development needs for the future. Our gas & low carbon energy business is accountable for the delivery of many of our low carbon opportunities through both organic and inorganic growth. This includes the development of wind, solar, hydrogen and carbon capture, use and storage businesses.

Major project delivery
Failure to invest in the best opportunities or deliver major projects★ successfully could adversely affect our financial performance.

We seek to manage the risk through our projects organization which exists to assess, develop and execute projects across bp. The organization contains capability which includes the centre of expertise for appraisal and optimization, expertise to manage the design and build of projects and integrates with our businesses and functions to ensure project objectives are met. The projects organization utilises a major projects common process.

Geopolitical
The diverse locations of our business activities and operations around the world expose us to a wide range of political developments and consequent changes to the economic and operating environment. Geopolitical risk is inherent to many regions in which we operate, and heightened political or social tensions or changes in key relationships could adversely affect the group.

We seek to manage this risk at multiple levels, through:

- Identifying macro-level geopolitical trends in the geopolitical advisory council.
- Providing a clear focal point for political risk management.
- Monitoring how geopolitical trends create risk at the country level through changes to our baseline threat assessments.

More broadly, we manage the risk on a day-to-day basis through the development and maintenance of relationships with governments and stakeholders, and by being trusted partners in each country and region. In addition, we closely monitor events and implement risk mitigation plans where deemed appropriate.

Liquidity, financial capacity and financial, including credit, exposure
External market conditions can impact our financial performance. Supply and demand and the prices achieved for our products can be affected by a wide range of factors including political developments, interest rates, consumer preferences for low carbon energy, global economic conditions, access to capital markets and the influence of OPEC+.

We seek to manage this risk through bp's diversified portfolio, our financial frame, liquidity stress testing, maintaining a significant cash buffer, liquidity facilities, regular reviews of market conditions and our planning and investment processes.

Energy markets, **page 7**
Liquidity and capital resources, **page 316**
Liquidity, financial capacity and financial, including credit, exposure, **page 65**

Joint arrangements★ and contractors
Varying levels of control over the standards, operations and compliance of our partners including non-operated joint ventures (NOJVs), contractors and sub-contractors could result in legal liability and reputational damage.

bp's exposure in NOJVs is primarily managed by the NOJV-facing business team in the business or entity where ownership of bp's interest in the NOJV sits.

Support, verification and assurance are provided by the NOJV solutions team, safety and operational risk assurance, ethics & compliance functional assurance and group internal audit to drive a focused, deliberate and systematic approach to the set-up and management of bp's interests and exposure in NOJVs.

Our relationships with contractors are managed through the bp procurement processes with appropriate requirements incorporated into contractual arrangements.

Digital infrastructure, cyber security and data protection
Both targeted and indiscriminate threats to the security and resilience of our digital infrastructure and those of third parties continue to evolve rapidly and are increasingly prevalent across industries worldwide.

We seek to manage this risk through a range of measures, which include alignment to the National Institute of Standards and Technology Cyber Security Framework 2.0, cyber security, data protection and artificial intelligence standards, security protection tools, ongoing detection and monitoring of threats and testing of digital response and recovery procedures. We collaborate with governments, law enforcement agencies and industry peers to understand and respond to new and emerging cyber threats.

We build awareness with our employees, share information on incidents with leadership for continuous learning, and conduct annual cyber training and regular exercises, including with the leadership team, to test response and recovery procedures. For further detail on cyber security disclosures see **page 336**.

Climate change and the transition to a lower carbon economy
Developments in policy, law, regulation, technology and markets, including societal and investor sentiment, related to the issue of climate change and the transition to a lower carbon economy could increase costs, reduce revenues, constrain our operations and affect our business plans and financial performance.

Risks associated with climate change and the transition to a lower carbon economy impact many elements of our strategy and, as such, these risks are managed through key business processes including setting the bp strategy and annual plan, capital allocation and investment decisions. The outputs of these key business processes are reviewed in line with the cadence of these activities. See **page 48** for more information on how transition risks and opportunities are managed.

Competition
Inability to remain efficient, maintain a high-quality portfolio of assets and innovate could negatively impact delivery of our strategy in a highly competitive market.

We seek to manage this risk through our strategy, sustainability and ventures function by providing external insights on the economic, energy, market and competitive environment. These insights are used to help define a resilient strategy for bp, including decisions related to portfolio, business development and resource allocation. The ventures team provides commercial innovation capacity that allows us to build new businesses.

Talent and capability
Inability to attract, develop and retain people with necessary skills, capabilities could negatively impact delivery of our strategy.

Our people, culture and communications team's responsibilities include talent activity for bp globally, including hiring, development, succession planning, and embedding of bp's 'Who we are' culture frame. They help to ensure that the right talent and people capability are in place, using local market intelligence, people analytics and insights to underpin our strategic workforce planning. See **page 57** for more information.

★ See glossary on **page 351**

How we manage risk and risk factors continued

Crisis management and business continuity

Failure to address an incident effectively could potentially disrupt our business or exacerbate the legal, financial or operational impacts of the crisis event.

Incidents that could potentially disrupt our business are addressed using emergency response and business continuity plans which are mandated through our policies. We use internationally recognized incident command structures, and for significant events business support teams and executive support teams are established to provide oversight and management. In addition, we provide a trained group of crisis professionals and niche expertise for deployment across bp through our mutual response team.

Insurance

Our insurance strategy could expose the group to material uninsured losses.

Our insurance team is accountable for aligning our insurance approach with bp's strategy and engaging with the businesses and functions to determine the appropriate level of insurance. We retain in-house expertise and partner with insurance industry leaders. Our captive insurance companies are regulated within the jurisdictions in which they operate.

Safety and operational risks

Process safety, personal safety and environmental risks

Exposure to a wide range of health, safety and environmental risks could cause harm to people, the environment and our assets and result in regulatory action, legal liability, business interruption, increased costs, damage to our reputation and potentially denial of our licence to operate.

Our Operating Management System (OMS)★ helps us manage these risks and drive performance improvements. It sets out the standards and requirements which govern key risk management activities such as inspection, maintenance, testing, business continuity and crisis response planning and competency development. In addition, we conduct our drilling activity through a wells organization in order to promote a consistent approach for designing, constructing and managing wells.

Drilling and production

Challenging operational environments and other uncertainties could impact drilling and production activities.

Our production and operations business group brings together all our hydrocarbon operations and our distinctive capabilities in one place to safely deliver competitive returns. The functions, in particular wells and production, are accountable for safety, risk, quality and operational delivery. They execute capital and operational activity and manage associated expenditure.

Security

Hostile acts such as terrorism, activism, insider acts or piracy could harm our people and disrupt our operations. We monitor for emerging threats and vulnerabilities to manage our physical and information security.

Our intelligence, security and crisis management teams provide strategic and operational risk management to our businesses through a network of regional security managers who provide front-line risk management as well as conduct assurance activities through a team independent of the business.

We continue to monitor threats globally and maintain disaster recovery, crisis and business continuity management plans.

Product quality

Supplying customers with off-specification products could damage our reputation, lead to regulatory action and legal liability, and impact our financial performance.

bp's product quality policy is aligned with our OMS and sets requirements for our business to meet specifications and applicable legal and regulatory requirements.

Compliance and control risks

Ethical misconduct and legal or regulatory non-compliance

Ethical misconduct or breaches of applicable laws or regulations could damage our reputation, result in litigation, regulatory action and penalties, adversely affect results and shareholder value, and potentially affect our licence to operate.

Our code of conduct, the foundation of 'Who we are', is applicable to all employees and central to managing this risk. Additionally, we have various group requirements and training covering areas such as anti-bribery and corruption, anti-money laundering, competition/anti-trust law, data privacy and international trade regulations. We offer an independent confidential helpline, OpenTalk, for employees, contractors and other third parties with the option to raise concerns anonymously.

Regulation

Changes in the law and regulation could increase costs, constrain our operations and affect our strategy, business plans and financial performance.

Our businesses and functions all seek to identify, assess and manage legal and regulatory risks relevant to bp's operations, strategy, business plans and financial performance. To support this work, we seek to develop co-operative relationships with governmental authorities in line with our code of conduct, to allow appropriate focus on areas of potential risk or uncertainty, while also protecting bp's interests within the law.

Trading and treasury trading activities

In the normal course of business, we are subject to risks around our trading activities which could arise from shortcomings or failures in our systems, risk management methodology, internal control processes or employee conduct.

We have specific operating standards and control processes to manage these risks, including guidelines specific to trading, and seek to monitor compliance through our dedicated compliance teams. We also seek to maintain a positive and collaborative relationship with regulators and the industry at large.

Reporting

Failure to accurately report our data could lead to regulatory action, legal liability and reputational damage.

Our accounting reporting and control team provides assurance of the control environment and is accountable for building control and compliance of finance processes and digital systems.

Risk factors

The risks discussed below, separately or in combination, could have a material adverse effect on the implementation of our strategy, business, financial performance, results of operations, cash flow, liquidity, prospects, shareholder value and returns and reputation.

Strategic and commercial risks

Prices and markets: our financial performance is impacted by fluctuating prices of oil, gas and refined products, technological change, climate policies and regulations, exchange rate fluctuations, and the general macroeconomic outlook.

Oil, gas and product prices are subject to international supply and demand and margins can be volatile.

Political developments, fluctuations to the supply of either oil or natural gas or to alternative low carbon energy sources, technological change, global economic conditions, public health situations (including the outbreak of an epidemic or pandemic), the introduction of new (or amendment to existing) carbon costs and the influence of OPEC+ can impact supply and demand and prices for our products (including low carbon investments).

Decreases in the price of energy outputs we produce could have an adverse effect on revenue, margins, profitability and cash flows. If these reductions are significant or for a prolonged period, we may have to write down assets and reassess the viability of certain projects, which may impact future cash flows, profit, capital expenditure★, the ability to work within our financial frame and maintain our long-term investment programme. Conversely, an increase in the prices of the energy outputs we produce may not improve margin performance as there could be increased fiscal take, cost inflation and more onerous terms for access to resources. The profitability of our refining activities can be volatile, with periodic oversupply or supply tightness in regional markets and fluctuations in demand.

Exchange rate fluctuations can create currency exposures and impact underlying costs and revenues. Crude oil prices are generally set in US dollars, while products vary in currency. Many of our major project★ development costs are denominated in local currencies, which may be subject to fluctuations against the US dollar.

Accessing and progressing hydrocarbon resources and low carbon opportunities: inability to access and progress hydrocarbon resources and low carbon opportunities could adversely affect delivery of our strategy.

Delivery of our strategy depends partly on our ability to progress hydrocarbon resources from our existing portfolio and access new resources. Our ability to progress upstream★ resources and develop technologies at a level in line with our strategic outlook for hydrocarbon production could impact our future production and financial performance. Furthermore, our ability to access low carbon opportunities and the commercial terms associated with those opportunities could impact our financial performance while moving at pace with society and its changing wants and needs.

Our strategy, **page 8**

Major project delivery: failure to invest in the best opportunities or deliver major projects successfully could adversely affect our financial performance.

We face challenges in developing major projects, particularly in geographically and technically challenging areas. Poor investment choice, efficiency or delivery, inflation, supply chain, or operational challenges at any major project that underpins production or production growth, could adversely affect our financial performance.

Geopolitical: exposure to a range of political developments and consequent changes to the operating and regulatory environment could cause business disruption.

We operate and may seek new opportunities in countries, regions and cities where political, economic and social transition may take place.

Political instability, changes to the regulatory environment or taxation, international trade disputes and barriers to free trade, international sanctions, expropriation or nationalization of property, civil strife, strikes, insurrections, acts of terrorism, acts of war and public health situations (including the outbreak of an epidemic or pandemic) may disrupt or curtail our operations, business activities or investments.

These may in turn cause production to decline, limit our ability to pursue new opportunities, affect the recoverability of our assets and our related earnings and cash flow or cause us to incur additional costs, particularly due to the long-term nature of many of our projects and significant capital expenditure required.

Trade restrictions, international sanctions or any other actions taken by governmental authorities or other relevant persons have had and could continue to have an impact on global energy supply and demand, market volatility and the prices of oil, gas and products.

Liquidity, financial capacity and financial, including credit, exposure: failure to work within our financial frame could impact our ability to operate and result in financial loss.

Trade and other receivables, including overdue receivables, may not be recovered, divestments may not be successfully completed and a substantial and unexpected cash call or funding request could disrupt our financial frame or overwhelm our ability to meet our obligations.

An event such as a significant operational incident, legal proceedings or a geopolitical event in an area where we have significant activities, could reduce our financial liquidity and our credit ratings. Credit rating downgrades could potentially increase financing costs and limit access to financing or engagement in our trading activities on acceptable terms, which could put pressure on the group's liquidity.

They could also potentially require the company to review the funding arrangements with the bp pension trustees. In the event of extended constraints on our ability to obtain financing, we could be required to reduce capital expenditure or increase asset disposals in order to provide additional liquidity.

Liquidity and capital resources, **page 316**
Financial statements – **Note 29**

Joint arrangements★ and contractors: varying levels of control over the standards, operations and compliance of our partners, including non-operated joint ventures (NOJVs), contractors and sub-contractors could result in legal liability and reputational damage.

We conduct many of our activities through joint arrangements, partners or with contractors and sub-contractors where we may have limited influence and control over the performance of such activities.

Our partners and contractors are responsible for the adequacy of their resources and capabilities. If these are found to be lacking, there may be financial, reputational, operational or safety exposures for bp. Should an incident occur in an activity that bp participates in, our partners and contractors may be unable or unwilling to fully compensate us against costs we may incur on their behalf or on behalf of the arrangement. Where we do not have operational control of a joint arrangement or direct oversight of contractor activity, we may still be pursued by regulators or claimants, and may still be the focus for interest groups or media attention in the event of an incident.

Digital infrastructure, cyber security and data protection: breach or failure of our or third parties' digital infrastructure or cyber security, including loss or misuse of sensitive information could damage our operations, increase costs and damage our reputation.

The energy industry is subject to fast-evolving risks, including ransomware, from cyber threat actors, including nation states, criminals, terrorists, hacktivists and insiders. Current geopolitical factors have increased these risks. There is also growing regulation around data protection and data privacy, critical national infrastructure and the evolving opportunities and threats from artificial intelligence. A breach or failure of our or third parties' digital infrastructure – including control systems – due to breaches of our cyber defences, or those of third parties, negligence, intentional misconduct or other reasons, could seriously disrupt our operations. This could result in the loss or misuse of data or sensitive information, including employees' and customers' personal data, injury to people, disruption to our business, harm to the environment or our assets, legal or regulatory breaches, legal liability and significant costs including fines, cost of remediation or reputational consequences. Furthermore, the rapid detection of attempts to gain unauthorized access to our digital infrastructure, often through the use of sophisticated and co-ordinated means, is a challenge and any delay or failure to detect could compound these potential harms.

Cyber security disclosures, **page 336**

Climate change and the transition to a lower carbon economy: developments in policy, law, regulation, technology and markets, including societal and investor sentiment, related to the issue of climate change and the transition to a lower carbon economy could increase costs, reduce revenues, constrain our operations and affect our business plans and financial performance.

Laws, regulations, policies, obligations, government actions, social attitudes and customer preferences relating to climate change and the transition to a lower carbon economy, including the pace of change to any of these factors, and also the pace of the transition itself, could have adverse impacts on our business including on our access to and realization of competitive opportunities, a decline in demand for, or constraints on our ability to sell certain products, constraints on production and supply, adverse litigation and regulatory or litigation outcomes, increased costs from compliance and increased provisions for environmental and legal liabilities.

Investor preferences and sentiment are influenced by environmental, social and governance (ESG) considerations including climate change and the transition to a lower carbon economy. Changes in those preferences and sentiment could affect our access to capital markets and our attractiveness to potential investors, potentially resulting in reduced access to financing, increased financing costs and impacts upon our business plans and financial performance.

Technological improvements or innovations that support the transition to a lower carbon economy, and customer preferences or regulatory incentives that alter fuel or power choices, could impact demand for our products (including low carbon energy).

Depending on the nature and speed of any such changes and our response, these changes could increase costs, reduce our profitability, reduce demand for certain products, limit our access to new opportunities, require us to write down certain assets or curtail or cease certain operations, and affect investor sentiment, our access to capital markets, our competitiveness and financial performance.

Policy, legal, regulatory, technological and market developments related to climate change could also affect future price assumptions used in the assessment of recoverability of asset-carrying values. This may affect whether there is continued intent to develop exploration and appraisal intangible assets; the timing of decommissioning of assets; and the useful economic lives of assets used for the calculation of depreciation and amortization.

Climate-related financial disclosures, **page 42** and Financial statements – **Note 1** and **Note 33**

Competition: inability to remain efficient, maintain a high-quality portfolio of assets and innovate could negatively impact delivery of our strategy in a highly competitive market.

Our strategic progress and performance could be impeded if we are unable to control our development and operating costs and margins, if we fail to scale our businesses at pace, or to sustain, develop and operate a high-quality portfolio of assets efficiently. Furthermore, as an integrated energy company, we face an expanded and rapidly evolving range of competitors in the sectors in which we operate.

We could be adversely affected if competitors offer superior terms for access rights or licences, or if our innovation in areas such as new low carbon technologies, digital, customer offer, exploration, production, refining, manufacturing or renewable energy lags behind those of our competitors. Our performance could also be negatively impacted if we fail to protect our intellectual property.

Talent and capability: inability to attract, develop and retain people with necessary skills, capabilities and behaviours could negatively impact delivery of our strategy.

The sectors in which we operate face increasing challenges to attract and retain diverse, skilled and capable talent. An inability to successfully recruit, develop and retain core skills and capabilities and to reskill existing talent could impact delivery of our strategy.

Crisis management and business continuity: failure to address an incident effectively could potentially disrupt our business.

Our reputation and business activities could be negatively impacted if we do not respond, or are perceived not to respond, in an appropriate manner to any major crisis.

Insurance: our insurance strategy could expose the group to material uninsured losses.

bp insures in situations where this is legally and contractually required. Some risks are insured with third parties and reinsured by group insurance companies. Uninsured losses could have a material adverse effect on our financial position, particularly if they arise at a time when we are facing material costs as a result of a significant operational event which could put pressure on our liquidity and cash flows.

Safety and operational risks

Process safety, personal safety, and environmental risks: exposure to a wide range of health, safety and environmental risks could cause harm to people, the environment and our assets and result in regulatory action, legal liability, business interruption, increased costs, damage to our reputation and potentially denial of our licence to operate.

Technical integrity failure, natural disasters, extreme weather or a change in its frequency or severity, human error and other adverse events or conditions, including breach of digital security, could lead to loss of containment of hazardous materials, including hydrocarbons★. This could also lead to fires, explosions or other personal and process safety incidents when drilling wells, constructing and operating facilities; in addition to activities associated with transportation by road, sea or pipeline. There can be no certainty that our OMS or other policies and procedures will adequately identify all process safety, personal safety and environmental risks or that all our operating activities, including acquired businesses, will be conducted in conformance with these systems.

Safety, **page 56**

Such events or conditions or inability to provide safe environments for our workforce and the public while at our facilities, premises or during transportation, could lead to injuries, loss of life or environmental damage. As a result, we could face regulatory action and legal liability, including penalties and remediation obligations, increased costs and potentially denial of our licence to operate. Our activities are sometimes conducted in hazardous, remote or environmentally sensitive locations, where the consequences of such events or conditions could be greater than in other locations.

Drilling and production: challenging operational environments and other uncertainties could impact drilling and production activities.

Our activities require high levels of investment and are sometimes conducted in challenging environments such as those prone to natural disasters and extreme weather, which heightens the risks of technical integrity failure. The physical characteristics of an oil or natural gas field, and cost of drilling, completing or operating wells are often uncertain. We may be required to curtail, delay or cancel drilling operations or stop production because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions and compliance with governmental requirements.

Security: hostile acts against our employees and activities could cause harm to people and disrupt our operations.

Acts of terrorism, piracy, sabotage, activism and similar activities directed against our operations and facilities, pipelines, transportation or digital infrastructure could cause harm to people and severely disrupt operations. Our activities could also be severely affected by conflict, civil strife or political unrest.

Product quality: supplying customers with off-specification products could damage our reputation, lead to regulatory action and legal liability, and impact our financial performance.

Failure to meet product quality specifications could cause harm to people and the environment, damage our reputation, result in regulatory action and legal liability, and impact financial performance.

Compliance and control risks

Ethical misconduct and non-compliance: ethical misconduct or breaches of applicable laws by our businesses or our employees could be damaging to our reputation, and could result in litigation, regulatory action and penalties.

Incidents of ethical misconduct or non-compliance with applicable laws and regulations, including anti-bribery and corruption, competition and antitrust, data privacy, and anti-fraud laws, trade restrictions or other sanctions, could damage our reputation, and result in litigation, regulatory action, penalties and potentially affect our licence to operate. In relation to trade restrictions or other sanctions, current geopolitical factors have increased these risks.

Regulation: changes in the law and regulation could increase costs, constrain our operations and affect our strategy, business plans and financial performance.

Our businesses and operations are subject to the laws and regulations applicable in each country, state or other regional or local area in which they occur. These laws and regulations result in an often complex, uncertain and changing legal and regulatory environment for our global businesses and operations. Changes in laws or regulations, including how they are interpreted and enforced, can and do impact all aspects of our business.

Royalties and taxes, particularly those applied to our hydrocarbon activities, tend to be high compared with those imposed on similar commercial activities. In certain jurisdictions there is also a degree of uncertainty relating to tax law interpretation and changes.

Governments may change their fiscal and regulatory frameworks in response to public pressure on finances or for other policy reasons, resulting in increased amounts payable to them or their agencies.

Changes in law or regulation could increase the compliance and litigation risk and costs, reduce our profitability, reduce demand for or constrain our ability to sell certain products, limit our access to new opportunities, require us to divest or write down certain assets or curtail or cease certain operations, or affect the adequacy of our provisions for pensions, tax, decommissioning, environmental and legal liabilities. Changes in laws or regulations could result in the nationalization, expropriation, cancellation, non-renewal or renegotiation of our interests, assets and related rights. Potential changes to pension or financial market regulation could also impact funding requirements of the group. Following the Gulf of America oil spill, we may be subjected to a higher level of fines or penalties imposed in relation to any alleged breaches of laws or regulations, which could result in increased costs.

Regulation of the group's business, **pages 329-334**

Trading and treasury trading activities: ineffective oversight of trading and treasury trading activities could lead to business disruption, financial loss, regulatory intervention or damage to our reputation and affect our permissions to trade.

We are subject to operational risk around our trading and treasury trading activities in financial and commodity markets, some of which are regulated. Failure to process, manage and monitor a large number of complex transactions across many markets and currencies while complying with all regulatory requirements could hinder profitable trading opportunities. There is a risk that a single trader or a group of traders could act outside of our delegations and controls, leading to regulatory intervention and resulting in financial loss, fines and potentially damaging our reputation, and could affect our permissions to trade.

Financial statements – **Note 29**

Reporting: failure to accurately report our data could lead to regulatory action, legal liability and reputational damage.

External reporting of financial and non-financial data, including reserves estimates, relies on the integrity of the control environment, our systems and people operating them. Failure to report data accurately and in compliance with applicable standards could result in regulatory action, legal liability and damage to our reputation.

Compliance information

bp non-financial and sustainability information statement

Produced in compliance with Sections 414CA and 414CB of the Companies Act. Information incorporated by cross reference.

Requirement	Relevant policies and standards	Information related to policies and any due diligence processes
a Environmental matters	• Net zero aims • TCFD • Sustainability frame • Biodiversity position (online)	• Climate-related financial disclosures – **pages 42-55** • People and planet – **page 60** • Our Operating Management System★(OMS) – **page 56** • Decision making by the board – **page 79**
b Employees	• bp values and code of conduct (online)	• Our people – **page 57** • Safety – **page 56** • Our values (Who we are) and code of conduct – **pages 58-59** • Employee engagement (Pulse annual and Pulse live employee surveys) – **page 58** • How the board engaged with stakeholders (workforce) – **page 78**
c Social matters	• Sustainability frame	• Our Operating Management System★(OMS) – **page 56** • Improving people's lives – **page 60** • Decision making by the board – **page 79**
d Respect for human rights	• Business and human rights policy (online) • Modern slavery statement (online) • Labour rights and modern slavery principles (online) • Code of conduct (online)	• Improving people's lives – **page 60** • Human rights – **page 60** • Our values (Who we are) and code of conduct – **pages 58-59**
e Anti-corruption and anti-bribery	• Anti-bribery and corruption policy • Code of conduct (online)	• Ethics and compliance – **page 59** • Our partners in joint arrangements – **page 57**
Description of principal risks relating to matters (a-e above)		• How we manage risk – **pages 61-64** • Risk factors – **pages 65-67** • TCFD (climate-related risk management) – **pages 45-46**
	Relevant information	
Business model description	• Business model – **page 12**	
Description of non-financial KPIs	• Measuring our progress – **page 14 and pages 16-17**	

TCFD index table[a]

Our TCFD disclosures can be found on the following pages.

TCFD Recommendation	TCFD Recommended Disclosure	Where reported
Governance Disclose the organization's governance around climate-related issues and opportunities.	a Describe the board's oversight of climate-related risks and opportunities.	• **Page 45**
	b Describe management's role in assessing and managing climate-related risks and opportunities.	• **Page 46**
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning where such information is material.	a Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	• Pursuing a strategy that is consistent with the Paris goals, **page 10** • Strategy, **page 8** • Risk factors, **page 65**
	b Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	• Risk factors, **page 65** – description of principal risks • Strategy, **page 8**
	c Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	• Strategy, **page 8** • Pursuing a strategy that is consistent with the Paris goals, **page 10**
Risk management Disclose how the organization identifies, assesses and manages climate-related risks.	a Describe the organization's processes for identifying and assessing climate-related risks.	• Risk Management, **page 45** • How we manage risk, **page 61** • Risk factors, **page 65**
	b Describe the organization's processes for managing climate-related risks.	• Risk Management, **page 45** • How we manage risk, **page 61**
	c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	• Risk Management, **page 45** • How we manage risk, **page 61** • Risk factors, **page 65**
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	• TCFD metrics and targets, **page 55**
	b Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	• GHG emissions data, **page 40**
	c Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	• Our net zero aims and targets, **pages 38-39**

a We consider the information in our TCFD disclosures, taken together with our climate-related non-financial KPIs on **pages 14-17** of this report, to be compliant with the disclosure requirements of Section 414CB of the Companies Act, as amended by the UK CFD Regulations.

Section 172 statement

In accordance with the requirements of Section 172 of the Companies Act 2006 (the Act), the directors consider that, during the financial year ended 31 December 2024, they have acted in a way that they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, having regard to the likely consequences of any decision in the long term and the broader interests of other stakeholders, as required by the Act.

For more information in support of this statement, see board activities, **page 76**, our stakeholders, **page 78** and key decisions, **page 79**.

The Strategic report was approved by the board and signed on its behalf by Ben J.S. Mathews, company secretary, on 6 March 2025.

Corporate governance

Thunderhorse, US Gulf of America

★ See glossary on **page 351**

Introduction from the chair

> “Our governance framework is designed to be dynamic, flexible and robust.”

Dear fellow shareholders,

The role of a board as custodian of the company’s assets has even greater significance in times of volatility, uncertainty and change. The unpredictable macro environment in 2024 offered both opportunities and challenges for global energy companies. Many of bp’s businesses performed well but there were also challenges in parts of the customers & products business. Overall, it was a year of reshaping the portfolio and laying the foundations for bp’s strategy reset in February 2025. The strategy we have set out provides clarity about direction and priorities, and the board will now focus its attention overseeing strategic execution and performance management.

Evolving governance framework

The board’s corporate governance framework is a robust basis to challenge and guide the leadership team in good times, but also in the tougher times we have experienced. It has been instrumental in helping the board to navigate multiple, rigorous discussions and – ultimately – the decisions we took in 2024, culminating, more recently, in February’s strategy reset.

Our governance framework is designed to be dynamic, flexible and robust. This meant that when the new UK Corporate Governance Code was published at the start of 2024, we could largely deploy our existing processes to plan for meeting its requirements, adding elements where appropriate while avoiding duplication and minimizing extra work.

The terms of reference for the board and the board committees were updated in July, with further changes to the board and audit committee terms of reference in January 2025, reflecting the staggered timetable of the changes coming into force under the new code. Considering the new requirement for an internal control effectiveness statement, we intend to make this statement in 2027 in respect of our 2026 annual report, having sought appropriate external assurance.

Meaningful engagement

Every year, we seek to engage widely with you, our shareholders, but also with our own people, partners, advisers and governments.

A highlight of 2024 was the board’s trip to India. This was an invaluable experience for the board in a strategically significant region for bp. We travelled to three cities, meeting partners, suppliers and the government – and bp’s teams working on lubricants, developing technical solutions and helping to run our operations safely (see **page 78**).

The board also met many other teams across the world, through our bespoke workforce engagement programme. This is designed to allow our directors to meet our people directly, throughout bp (see **page 78**).

Our 2024 workforce engagement agenda was aligned closely with the topics we discussed in reviewing and considering our strategic options at board meetings during the year. The views and feedback obtained played an important part in informing the board’s decisions. This programme of listening to and working with our people will continue through 2025 – especially during an ongoing transformation programme.

Progress on culture

The board places great importance in assessing and monitoring bp’s culture. Whenever necessary, it seeks the leadership team’s assurance that action will be taken should practices or behaviours not align with the company’s culture frame, which sets out ‘Who we are’. The board set up a temporary committee in 2023 to provide direct oversight on culture. It served bp well and its responsibilities have now been assumed by the people, culture and governance committee.

As chair of this committee, I am pleased with the start we have made in 2024 with the committee’s expanded scope on culture and, in particular, with a focus on psychological safety and speaking up. We will seek to make further progress on this area during 2025 (for more on the people, culture and governance committee’s work, see **page 86**).

Board composition

The people, culture and governance committee is continuously working to identify potential candidates to join the board. The reset strategy bp announced in February 2025 provides the committee with a clear framework to identify new board members who will bring the additional skills and experience bp needs as it embarks on the next chapter.

Closing thanks

I am grateful to my fellow board members for everything they have done this year – and everything they continue to do. On behalf of the board, I would also like to thank the leadership team and bp teams across the world for what they achieved in 2024, for their relentless focus on safety and their commitment to bp. And I will close by thanking you, fellow shareholders, for your support and your challenges. Your contributions improve the board’s decision making – and help to improve bp.

Helge Lund
Chair
6 March 2025

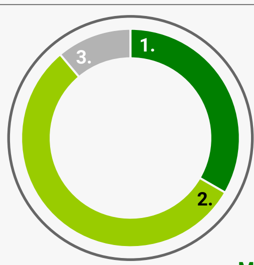
Board at a glance

	Board meeting attendance		Committee membership				Skills and experience							
	8 scheduled	2 ad hoc	Audit	Remuneration	People, culture and governance	Safety and sustainability	Society, politics and geopolitics	Technology, digital and innovation	People leadership and organizational transformation	Operational excellence and risk management	Global business leadership and governance	Finance, risk and trading	Energy markets	Climate change and sustainability
Non-executive directors[a]														
Helge Lund (Chair)	8/8	2/2			Chair		●		●	●	●		●	●
Dame Amanda Blanc	8/8	2/2		Member	Member		●		●	●	●	●		●
Tushar Morzaria	8/8	2/2	Chair	Chair					●	●	●	●		
Melody Meyer[b]	8/8	1/2		Member		Chair				●	●		●	●
Pamela Daley	8/8	2/2	Member	Member							●	●	●	
Hina Nagarajan	8/8	2/2	Member		Member			●	●	●	●			●
Satish Pai[c]	7/8	2/2				Member		●	●	●	●		●	●
Karen Richardson[c]	7/8	2/2	Member					●	●	●	●	●		
Dr Johannes Teyssen	8/8	2/2			Member	Member	●		●	●	●		●	●

Executive directors		
Murray Auchincloss (CEO)	8/8	2/2
Kate Thomson (CFO)[d]	7/7	1/1

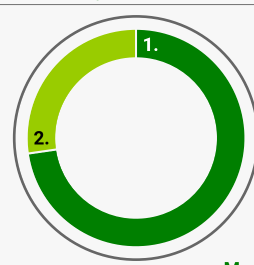
Chair of the committee
Member of the committee

Non-executive directors' tenure



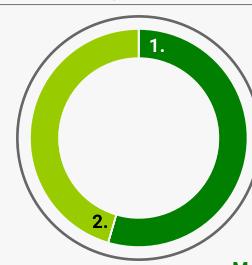
	March 2025	March 2024
1. 1-3 years	**3**	6
2. 4-6 years	**5**	3
3. 7-9 years	**1**	2

Board ethnic diversity



	March 2025	March 2024
1. White British or other white (including minority-white groups)	**8**	10
2. Asian/Asian British	**3**	3

Board gender diversity



	March 2025	March 2024
1. Female	**6**	7
2. Male	**5**	6

3

directors who identify as from a minority ethnic background

55%

of directors are female

a Paula Rosput Reynolds and Sir John Sawers stepped down from the board on 25 April 2024 and attended all meetings held prior to this date.
b Melody was unable to attend the ad hoc meeting in June due to an existing external commitment.
c Satish and Karen were unable to attend the scheduled meeting in June due to existing external commitments.
d Kate was appointed to the board on 2 February 2024 and attended all meetings held after this date.

★ See glossary on **page 351**

Board of directors

As at 6 March 2025

Helge Lund
Chair

P

Appointed Board: 26 July 2018; chair: 1 January 2019

Nationality Norwegian

External appointments

- Chair of Novo Nordisk AS.
- Operating advisor to Clayton Dubilier & Rice.
- Member of the Board of Trustees of the International Crisis Group.
- Member of the European Round Table for Industry.

Significant past appointments

- Chief executive of BG Group.
- President and chief executive officer of Equinor and Aker Kvaerner.
- Executive of Aker RGI and Hafslund Nycomed.
- Non-executive director of Schlumberger and Nokia.
- Consultant at McKinsey & Company.
- Parliamentary group political advisor of the Conservative party, Norway.

Key skills and experience

- Distinguished career as a leader in the energy sector with deep industry knowledge and global business experience.
- Drives cohesion, constructive challenge and oversight of bp's strategy through forward looking leadership of the board.

Murry Auchincloss
Chief executive officer

Appointed Executive director: 1 July 2020; chief executive officer: 17 January 2024

Nationality Canadian and British

Significant past appointments

- Joined Amoco in 1992 and then bp when the two companies merged in 1998.
- Senior roles in finance and management at bp, across tax, business development, mergers and acquisitions and performance management.
- Chief of staff to bp chief executive officer.
- CFO BP p.l.c.

Key skills and experience

- Drives bp's strategy as an integrated energy company and has extensive experience and knowledge of the energy sector.
- Provides deep insight into bp's assets and businesses through broad experience across the group, extensive financial expertise and experience.

Kate Thomson
Chief financial officer

Appointed 2 February 2024

Nationality British

External appointments

- Board member of Aker BP ASA.
- Member of the European Round Table for CFOs.
- Member of the 100 Group Main Committee.

Significant past appointments

- Joined bp in 2004.
- Group head of tax, BP p.l.c.
- Group treasurer, BP p.l.c.
- SVP finance for production & operations, BP p.l.c.

Key skills and experience

- Has a detailed understanding and experience of the energy sector and provides deep technical insight from her broad experience of leading teams across the group in tax, treasury and commercial finance.

Dame Amanda Blanc
Senior independent director

R P

Appointed 1 September 2022

Nationality British

External appointments

- CEO of Aviva plc.
- Member of the Association of British Insurers Board.

Significant past appointments

- Began career as a graduate at Commercial Union, one of Aviva's ancestor companies, and held several senior executive roles across the insurance industry.
- Group CEO at AXA UK, PPP & Ireland.
- CEO of Europe, Middle East, Africa & Global Banking at Zurich Insurance Group.
- Leadership positions at Groupama Insurance Company and Commercial Union.
- Member of the Prime Minister's Business Council.

Key skills and experience

- Experience leading insurance businesses in the UK and across Europe.
- Wide-ranging board, industry and regulatory experience.

Tushar Morzaria
Independent non-executive director

A R

Appointed 1 September 2020

Nationality British

External appointments

- Non-executive director of Legal & General Group plc.
- Non-executive director of BT Group plc.

Significant past appointments

- Various senior roles at JP Morgan, including CFO of its Corporate & Investment Bank.
- Group finance director and member of the board of Barclays PLC 2013 to 2022.
- Non-executive chairman of EMEA Investment Banking, Barclays until 2024.

Key skills and experience

- Over 25 years of strategic financial management, investment banking, operational and regulatory experience.
- Breadth of knowledge and insight into financial, tax, treasury, investor relations and strategic matters and strong experience in delivering corporate change programmes while maintaining a focus on performance.

Melody Meyer
Independent non-executive director

S R

Appointed 17 May 2017

Nationality American

External appointments

- Non-executive director of AbbVie Inc.
- Non-executive director of Airswift Parent LLC.

Significant past appointments

- President of Chevron Asia Pacific E&P until 2016 after 37 years of service in key leadership roles in global exploration and production.

Key skills and experience

- Deep understanding of the factors influencing safe, efficient and commercially high-performing projects in a global organization.
- Expertise in the execution of major capital projects, technology, R&D, creation of businesses in new countries, strategic business planning, merger integration, leading change, and safe and reliable operations.

Committee members key

Chair · A Audit committee · S Safety and sustainability committee · R Remuneration committee · P People, culture and governance committee

Pamela Daley
Independent non-executive director

A R

Appointed 26 July 2018

Nationality American

External appointments

- Director of BlackRock, Inc.

Significant past appointments

- Various senior executive roles at General Electric Company (GE), including senior vice president of business development 2004 to 2013.
- Senior vice president and senior advisor to the chair at GE in 2013.
- Director of BG Group plc 2014 to 2016.
- Director of Patheon N.V. 2016 to 2017.
- Partner at Morgan, Lewis & Bockius.
- Director of SecureWorks, Inc. 2016 to 2025.

Key skills and experience

- Board-level experience of the UK oil and gas industry and executive experience in highly regulated industries.
- Qualified lawyer with a wealth of global business and strategic experience.

Karen Richardson
Independent non-executive director

A

Appointed 1 January 2021

Nationality American

External appointments

- Partner at Artius Capital Partners.
- Non-executive director of Artius II Acquisition Inc.
- Non-executive director (lead independent director) of Exponent, Inc.

Significant past appointments

- Senior operating roles in the public and private technology sector.
- Vice president of sales at Netscape Communications Corporation 1995 to 1998.
- Senior executive roles at E.piphany from 1998, including CEO 2003 to 2006.
- Non-executive director of BT plc 2011 to 2018.
- Director of Worldpay Inc. (Worldpay Group plc) 2016 to 2019.
- Chair of Origin Materials Inc. 2021 to 2024.

Key skills and experience

- Extensive knowledge of digital, technology, cyber and IT security matters.
- 30 years' technology industry experience including working with innovative Silicon Valley companies.

Satish Pai
Independent non-executive director

S

Appointed 1 March 2023

Nationality Indian

External appointments

- Managing director of Hindalco Industries Limited.
- Director of Novelis Inc.
- Non-executive director, Aditya Birla Management Corporation Ltd.
- Director, Indian Institute of Metals.

Significant past appointments

- Executive vice president, worldwide operations and other engineering and management roles at Schlumberger across 28 years of service.

Key skills and experience

- Accomplished and transformative executive with operations and technology experience in the resources and energy industries.
- Strong digital capability and experience.

Hina Nagarajan
Independent non-executive director

A P

Appointed 1 March 2023

Nationality Indian

External appointments

- Managing director and CEO of United Spirits Limited (Diageo India).
- Member of the global executive committee of Diageo plc.
- Board member of The Advertising Standards Council of India.
- Director and co-chair of International Spirits and Wines Association of India.

Significant past appointments

- Leadership positions at Reckitt, Mary Kay India and Nestlé India with over 30 years in the fast-moving consumer goods (FMCG) industry.
- Non-executive director at two companies which were publicly quoted at the time: Guinness Ghana Breweries Plc and Seychelles Breweries Limited.

Key skills and experience

- Deep and wide-ranging experience in customer-focused FMCG businesses in complex emerging markets.
- Extensive experience in assessing climate-related risks and opportunities.

Dr Johannes Teyssen
Independent non-executive director

S P

Appointed 1 January 2021

Nationality German

External appointments

- Senior advisor to Kohlberg Kravis Roberts.
- President of Alpiq Holding Ltd.
- Senior advisor to Viridor Limited.

Significant past appointments

- Several leadership positions at VEBA AG (merged with VIAG AG in 2000 and renamed to E.ON AG and later to E.ON SE).
- Member of the board of management of the E.ON Group's central management company in Munich in 2001 and E.ON SE in 2004.
- Vice-chair of E.ON SE, 2008 and CEO, 2010 to 2021.
- President of Eurelectric 2013 to 2015.
- Vice-chair of the World Energy Council, responsible for Europe, 2006 to 2012.
- Member of the supervisory board of Salzgitter AG 2006 to 2016 and Deutsche Bank AG 2008 to 2018.

Key skills and experience

- Extensive experience and deep knowledge of the energy sector and its continuing transformation.
- Considerable knowledge and experience of climate-related risk oversight.

Ben J S Mathews
Company secretary

Appointed 7 May 2019

Role and career summary

Ben joined bp as company secretary in May 2019. He is the co-chair of the Corporate Governance Council of the Conference Board and is a Fellow of the Chartered Governance Institute. Ben serves on the executive committee of the Association of General Counsel and Company Secretaries of the FTSE 100 (GC100), having previously served as its chair for four years.

Ben's global company secretary team is responsible for providing advice and support to the plc board and the boards of other legal entities in the bp group. The team's vision is to enhance stakeholder value through dynamic corporate governance.

Former appointments include Group Company Secretary of HSBC Holdings plc and Rio Tinto plc.

For further detail on the directors' climate change and sustainability experience, see the TCFD section on page 43 and further biographical information for each director is available online at bp.com/whoweare.

★ See glossary on **page 351**

Leadership team

William Lin
EVP gas & low carbon energy

Leadership team tenure Appointed on 1 July 2020

Nationality American

Board memberships

William is a non-executive director of Pan American Energy Group, the largest independent energy company in Argentina. He is also a member of the supervisory board for Corbion, a Dutch-listed global food ingredients and biochemicals company. He chairs Corbion's Sustainability & Safety Committee and is a member of the Audit Committee.

Career summary

William has worked at bp for 29 years and now leads the group's global natural gas and low carbon businesses and markets. Prior to this role, he held other senior management positions including the chief operating officer for upstream regions, regional president for Asia Pacific, and vice president for gas developments and operations for Egypt.

Emma Delaney
EVP customers & products

Leadership team tenure Appointed on 1 July 2020

Emma previously served on bp's executive team starting on 1 April 2020

Nationality Irish

Board memberships

None

Career summary

Emma has spent 28 years working in bp, both in the upstream and the downstream. Prior to joining bp's executive team on 1 April 2020, she was regional president for West Africa. She has held a variety of senior roles including upstream chief financial officer for Asia Pacific and head of business development for gas value chains. In downstream she held roles in retail and commercial fuels and planning.

Giulia Chierchia
EVP strategy, sustainability & ventures

Leadership team tenure Appointed on 1 July 2020

Nationality Belgian and Italian

Board memberships

Giulia is a non-executive director of Schneider Electric.

Career summary

Giulia joined bp in April 2020 as EVP strategy, sustainability & ventures. In her role, Giulia drives bp's strategy and sustainability agenda and embeds the group's ethics and compliance within the organization. She oversees bp's venturing investments business, which supports bp's transition and net zero ambition. Prior to bp, she worked for McKinsey, where she was a senior partner. She led the global downstream oil and gas practice and was a key member of the chemicals, and electricity, power and natural gas practices, helping companies shape their strategies for the energy transition.

Gordon Birrell
EVP production & operations

Leadership team tenure Appointed on 1 July 2020

Gordon previously served on bp's executive team starting on 12 February 2020.

Nationality British

Board memberships

Gordon is a non-executive director of Azule Energy Holdings Ltd.

Career summary

Before being appointed to his new role, Gordon was chief operating officer for production, transformation and carbon. In his bp career, Gordon has spent time in various leadership, technical, safety and operational risk roles, including four years as bp president Azerbaijan, Georgia and Türkiye. Gordon is a Fellow of the Royal Academy of Engineering.

Emeka Emembolu
EVP technology

Leadership team tenure Appointed on 18 April 2024

Nationality British

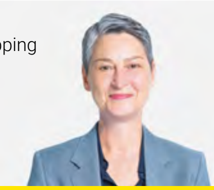
Board memberships

None

Career summary

Emeka started his career working offshore as an engineer and has spent 25 years with bp. Prior to being appointed EVP technology, Emeka spent two years as chief of staff to the CEO. Before joining the executive office, he led bp's North Sea business as region SVP spearheading improvements in operational safety, driving efficiencies and growing the value of the business. Prior to that, he held a range of senior technical leadership roles in the Gulf of America, Canada, North Africa and Alaska and in the subsurface function.

Carol Howle
EVP supply, trading & shipping



Leadership team tenure Appointed on 1 July 2020

Nationality British

Board memberships

None

Career summary

Before taking on her current role, Carol ran bp shipping and was the chief operating officer for integrated supply and trading, oil. She has more than 20 years' experience in the energy industry, and many in integrated supply and trading. Her previous roles include chief operating officer for natural gas liquids, regional leader of global oil Europe and finance. Carol also served as the head of the group chief executive's office.

Kerry Dryburgh
EVP people, culture & communications

Leadership team tenure Appointed on 1 July 2020

Nationality British

Board memberships

None

Career summary

Kerry leads people, culture & communications at bp. Kerry previously headed HR for bp's upstream business while also serving as group chief talent officer. She has held a series of senior HR positions across the company, including running HR for bp's shipping, integrated supply and trading, and corporate functions. She brings vast experience from other sectors in Europe and Asia, having worked at both BT and Honeywell.

Mike Sosso
EVP legal

Leadership team tenure Appointed on 1 January 2024

Nationality American

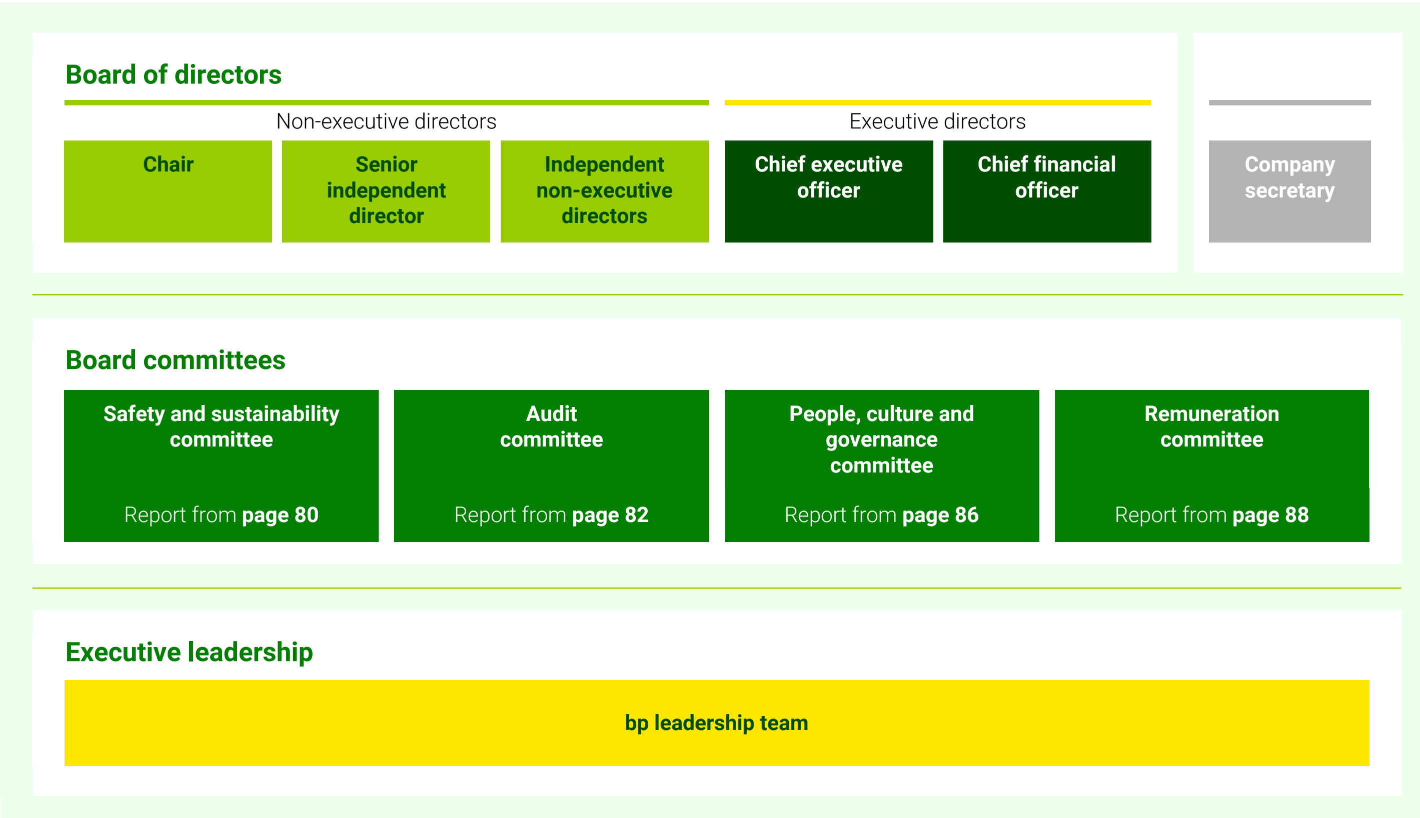
Board memberships

None

Career summary

Mike took on the role of EVP legal in January 2024. In his role, Mike is accountable for leading the legal function and executing the legal strategy for the group. Mike joined bp in 2011 and has held a number of leadership positions across legal. He also previously held the role of VP ethics and compliance. Prior to joining bp, Mike practised law in the Washington, DC office of Skadden, Arps, Slate, Meagher & Flom.

Governance framework



bp's governance framework helps to drive informed and efficient decision making through a clear division of responsibilities. This enables bp to operate effectively and in alignment with the strategy as set by the board.

Responsibilities of the board

The board is appointed by shareholders. Its responsibility, through the directors, is to promote the success of the company, to drive value for shareholders, having regard for the company's stakeholders and the consequences of decisions in the long term. Fulfilling this role, the board is responsible for setting and overseeing the implementation of the company's strategy, purpose and values. The board's oversight includes monitoring culture and the effectiveness of the company's system of internal control.

More detailed information about board activities is available from **page 76**.

Delegation of authority

The board delegates certain responsibilities to its principal committees, which are outlined in their respective terms of reference at **bp.com/governance**.

Day-to-day management of the business is delegated to the chief executive officer (CEO), who in turn is advised and supported by a leadership team (bpLT) comprising of nine individuals who are accountable to him for their respective business and functional areas, with appropriate financial authority levels. Ultimately, decisions are taken by the CEO in the execution of the delegations to him by the board.

For example, the CEO's authority includes a limit on investments, capital expenditure★ and financial commitments. Any matters in excess of this limit, or those that go beyond the annual plan or agreed strategy, remain a matter reserved for the board as a whole.

Further delegations of authority are maintained throughout the business in a consistent way.

Board committees

The four principal board committees operate under terms of reference which are reviewed at least annually. Full details can be found at **bp.com/governance**.

Each committee reports to the board as a whole, providing updates on their activities and, where applicable, making recommendations for the board's approval.

Board roles

Non-executive directors (NEDs)

Provide independent oversight, mentoring and constructive challenge to the executive directors and bpLT. NEDs bring valuable external perspective and support good governance in matters such as remuneration and succession planning.

Chair

- Helge Lund leads the board and is responsible for its overall effectiveness.
- This includes shaping and managing the culture of the boardroom, facilitating the board's ability to hear the views of stakeholders, and overseeing the composition and development of the board.

Senior independent director (SID)

- Dame Amanda Blanc acts as a sounding board for the chair and, if necessary, as an intermediary for other directors and investors.
- This includes overseeing the performance evaluation and succession planning for the chair.

Executive directors

Executive directors are tasked with the implementation of bp's strategy and are responsible for all executive management matters affecting the company.

Chief executive officer (CEO)

- As CEO, Murray Auchincloss proposes bp's strategy and annual plan for endorsement by the board, and leads the bpLT in delivering them.
- This involves overseeing the implementation of the system of internal controls and responsibility for setting policies, standards and procedures that foster bp's culture and values.

Chief financial officer (CFO)

- Kate Thomson provides financial leadership for the business and supports the CEO in the development and implementation of the strategy.

Company secretary

Ben Mathews advises the board on corporate governance matters, change to and compliance with board procedures, and monitors regulatory requirements. He also supports the chair in ensuring the timely flow of accurate and clear information to the board.

★ See glossary on **page 351**

Board activities: promoting long-term sustainable success

In 2024 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 these pillars. Notably, overseas trips to both Houston, US, and across India allowed the board to engage directly with a range of stakeholders. Highlights of the board's activities, discussions and approvals during the year are provided below.

Strategy

Strategic direction TCFD

- Worked closely with the CEO and his leadership team to establish a new purpose and strategy reset for bp.
- Discussed strategic progress and options at every board meeting, including deep-dives into our transition businesses★.

Macroeconomics TCFD

- The review of our strategic direction was informed by regular updates on macroeconomic and geopolitical factors affecting our strategy, plan and performance.

Mergers and acquisitions pipeline

- Regular reviews of potential merger, acquisition and divestment opportunities, including transition and low carbon. TCFD
- Approved the acquisition of transition business, bp Bunge Bioenergia (see **page 33**). TCFD
- Approved the final investment decision for Kaskida which will be bp's sixth hub in the Gulf of America.

Offsites

- The board's site visits this year included:
  - Permian Basin, Gulf of America.
  - bp Houston in the US.
  - The Castellón refinery in Spain.
  - *Castrol* Patalganga plant and bp's business and technology centers in Pune, in India.
  - Our Reliance-operated KG D6 gas facility in India.

Technology

- Received an update on digital, including its functional reorganization, the development of new strategic partnerships (Palantir, Infosys) and priorities for 2025.
- Participated in a deep-dive session on the potential deployment of generative artificial intelligence solutions across bp businesses.

Safety and sustainability TCFD

- Reviewed ongoing updates on safety measures and performance.
- Focused its sustainability aims on those most relevant to the long-term success of its businesses and to its net zero ambition

Performance

Annual plan

- Reviewed and approved the 2024 annual plan that considered capital allocation (including transition businesses) to improve the balance sheet. TCFD
- Reviewed full-year delivery against the 2023 plan, and monitored progress against 2024 objectives.

Financial frame and distributions

- Evaluated potential enhancements and simplifications to 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 or divestment opportunities of more than $100 million.

Acquisition reviews

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

Principal risks

- Analysed trends and themes arising from risk management reports.
- Performed mid-year and full-year reviews of bp's principal and emerging risks, including those related to climate (see **page 112**). 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.
- 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 61** and bp's system of internal control on **page 112**).

Key

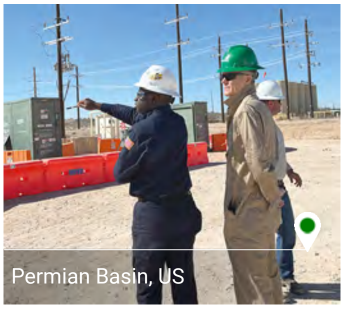
TCFD	TCFD Recommendations and Recommended Disclosure

Highlights of the year

January – March

February:
- Site visit to bpx energy and Archaea, US.
- People, culture and governance; remuneration; audit; and safety and sustainability committee meetings, including Q4 results, London.
- Board meeting, London.

March:
- People, culture and governance; remuneration; and audit committee meetings, virtual.
- Board meeting, virtual.


Permian Basin, US

April – June

April:
- People, culture and governance committee meeting, virtual
- Remuneration committee meeting, virtual
- Annual General Meeting, London

May:
- Audit committee and board meetings, including Q1 results, virtual.

June:
- Houston, US, board programme including a safety and sustainability committee site visit to the Permian Basin and Gulf of America and a trading and shipping floor walk with the audit committee.
- Ad-hoc board meeting, virtual.


Argos platform, US Gulf of America

People

Engagement
- Participated in the workforce engagement programme (WFEP), bringing employee feedback into the boardroom and therefore allowing board decisions to be better informed of stakeholder views (see **page 78**).
- Met with high-potential employees to help improve the board's visibility of the executive succession pipeline.
- Held town halls and undertook site visits to increase director interaction with the workforce in those locations (further information on in-person site visits on **page 78**).

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.
- Approved the scope of the newly named people, culture and governance committee.

Conflicts of interest
- Approved an amended conflicts of interest policy that integrated mandatory disclosure and reporting requirements for relationships at work.

Succession planning
- Supported by the people, culture and governance committee, the board received updates on succession plans for the board, and undertook a review of leadership development initiatives, including succession plans for the bp leadership team.

Governance

Corporate governance framework
- Approved changes to the terms of reference for the board and committees to align with regulatory changes under the revised UK Corporate Governance Code and to reflect evolving governance practices at bp.

Board composition / director changes
- Following a comprehensive selection process, appointed Murray Auchincloss as the permanent chief executive officer with effect from 17 January 2024, and Kate Thomson as chief financial officer and board member on 2 February 2024.
- Appointed Dame Amanda Blanc as senior independent director (SID) with effect from 25 April 2024.
- Appointed Tushar Morzaria as interim remuneration committee chair with effect from 25 April 2024.
- Appointed Hina Nagarajan and Johannes Teyssen as additional members of the people, culture and governance committee with effect from 6 May 2024.

Director training and knowledge sessions
- Completed online training on topics including the code of conduct and cyber security.
- Participated in a number of deep-dive sessions during the year on relevant topics such as artificial intelligence.

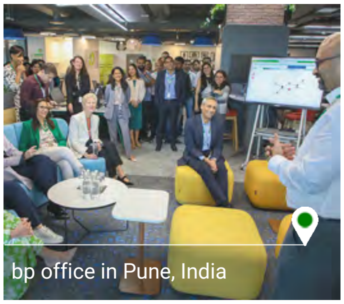
Board effectiveness review
- Conducted an externally facilitated board and committee performance review led by the chair and company secretary (see **page 87**).

Investor engagement
- The chair, senior independent director, remuneration committee chair, SVP investor relations and company secretary held a number of investor meetings with shareholders representing around 30% of the share capital.

July – September

July:
- People, culture and governance; remuneration, audit; and safety and sustainability committee meetings, including Q2 results, London.
- Board meeting, London.
- Safety and sustainability committee site visit to Castellón refinery, Spain.

September:
- India board programme, including safety and sustainability committee site visit to *Castrol* Patalganga and audit committee site visit to Pune.


bp office in Pune, India

October – December

October:
- Audit committee; board; and results committee meetings, including Q3 results.

November:
- People, culture and governance; remuneration; audit and safety and sustainability committee meetings, London.
- Board meeting, London.

December:
- Audit committee meeting, virtual

Castrol, Pangbourne, UK

Our stakeholders

Regular stakeholder engagement allows directors to gain a wide range of different insights, giving the board a comprehensive and rounded perspective in support of the decisions it takes. Engagement of this nature helps the directors to fulfil their statutory duties and build greater trust within, across, and outside of bp. In turn this helps improve how the strategy is formed and overseen to promote bp's long-term success.

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 that they take and to the continuing evolution of bp's strategy.

For the non-executive directors (NEDs), one of the key mechanisms for engagement is the workforce engagement programme (WFEP). Every NED takes part in the WFEP, joining small group roundtable sessions with employees on a specific topic. Key themes addressed through the WFEP in 2024 included safety, innovation and technology, remuneration, and culture.

In addition, for employees, directors have been involved in town hall events and webcasts during the year.

For investors, engagement mechanisms included roadshows, results calls, one-to-one and group meetings.

bp's financial and operational performance was an important topic for both investors and the workforce in 2024, with directors seeking to enhance each group's understanding of the factors affecting the company's overall performance.

Promoting balanced perspectives

In 2024, engagements included sessions with employees in Australia, India, Spain, the UK and US; summits and meetings with governments and regulators from Azerbaijan, Germany, Kuwait, India and Iraq; and customer-focused visits to sites in the UK, US and India.

In particular, the board's visit to our business and technology centers in Pune, India in September provided a breadth of stakeholder engagement opportunities, supporting the delivery of bp's ambitions. For more on the visit to Pune see **page 83.**

In addition to regular meetings with investors in 2024, bp held its first hybrid retail shareholder engagement event outside of the AGM, hosted by the company secretary. Feedback from this event was used to enhance engagement by the board at the AGM.

Focusing strategic direction

The strategy reset announced in February 2025 was developed through a comprehensive engagement programme undertaken in 2024 and early 2025. The perspectives of various stakeholders were considered including investors and our employees. Wide-ranging views helped to inform the decisions taken by the board regarding the strategy reset. This engagement supported the board's confidence that their decisions had taken account of evolving stakeholder expectations.

See more on key decisions, **page 79**

Building trust in bp

Two important themes in helping to maintain and enhance organizational trust are safety performance and culture.

On safety, valuable insights were gained from investors, employees and business partners via in-person meetings, online meetings and director site visits. Examples this year included visits to the Castellón refinery in Spain and operations in the Permian Basin in the US.

Culture was a prominent theme of WFEP sessions in 2024 with valuable feedback shared on culture at bp, including the impact of agile working and leadership training programmes.

In addition, directors continued to advocate for bp's culture of speaking up, and the board reviewed an anonymized summary of Pulse employee survey reports and OpenTalk reports (bp's whistleblowing service). For more on culture see **page 87.**

Opportunities for collaboration

By attending talks, events and site visits with our partners and suppliers (such as Reliance, Infosys and Aviation Fuelling Services at Heathrow airport (UK)), the board had the opportunity to discuss and learn more about safety, technology and the future of the energy sector.

Similarly, engagements with governments and regulators and consideration of wider society's interests focused on generating shared value. For example, investment opportunities (Kaskida platform, Gulf of America), redevelopment opportunities (Kirkuk Field, Iraq) and exploration of lower carbon energy solutions (Net Zero Teesside Power, UK).

The directors also reflected on integration, safety and customer-centricity on their visits to retail sites such as TravelCenters of America in the US and the Hemel Hempstead fuel terminal in the UK.

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.

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 68.

Further information on the board's activities and key decisions, including how stakeholder interests have been considered, can be found on pages 76-78 and page 79.

bp office in Pune, India

Stakeholders key

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

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. They must 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 key decisions taken by the board during 2024 and how stakeholder considerations have been taken into account in the board's discussions and decision making.

Resetting our strategy

The board approved a reset of bp's strategy and reallocation of capital to drive growth and improved performance, as announced at the Capital Markets Update on 26 February 2025.

This announcement followed extended workshops and board discussions with members of the bp leadership team at each board meeting since September 2023, leading to what the board believes is a clear and distinctive strategic direction, an investable financial proposition, with a simpler narrative, sustainability framework, financial frame and metrics.

Throughout the process, the board explored what drives valuation growth across three quantitative pillars – growth, profitability, and risk – along with qualitative factors like investor proposition, market confidence, and the company's performance during the year.

bp's investors want to see consistent operational and financial performance, together with strategic clarity with less complexity. The board discussed choices on capital allocation and efficiency, balance sheet resilience and share buyback guidance.

When looking at the potential strategic options, the board also considered bp's sustainability framework.

Recognizing the feedback to become a simpler and more understandable organization, the board considered the perspectives of various stakeholders including investors and our employees before approving the five focused sustainability aims of net zero operations★, net zero sales★, people, water and biodiversity.

Throughout the process the board explored potential scenarios, opportunities, and risks. This ultimately led to decisions being taken that the board believes will best maximize bp's prospect of achieving its objectives and fulfilling its purpose. The board believes the strategy remains consistent with the goals of the Paris Agreement. Recognizing that the component parts of this update are important to many stakeholder groups, the board remains committed to the energy transition.

Stakeholders considered

An integrated energy company

As an integrated energy company, bp continues to invest with discipline in both the upstream★ and low carbon energy. In 2024, the board approved key investment decisions in each of these segments.

In July, bp took a final investment decision for a sixth operated hub, Kaskida, in the US Gulf of America. This strategic growth project represents bp's ongoing commitment to invest in this prolific high-margin basin, and makes up an important element of growing the value of bp. This platform is expected to have production capacity of 80,000 barrels of oil per day and will embrace a more simplified, standardized and cost-efficient platform design that we plan to replicate in future projects, unlocking potential for the development of 10 billion barrels of discovered resources in place in the Paleogene, Gulf of America.

Together with our partners we reached financial close for two major carbon capture and storage (CCS) projects in Teeside in the north-east of England: the Northern Endurance Partnership (NEP) and Net Zero Teesside Power (NZT Power). NEP, through its CO_2 transport and storage system, will help develop and underpin a lower carbon future for industry in the region. NZT Power, a gas-fired power station with CCS, will provide flexible low carbon power into the UK national power grid. The two projects will capture and transport millions of tonnes of CO_2 and the board noted the potential from these projects to support thousands of jobs through their construction and operation.

The NZT Power and NEP decisions were taken following extensive dialogue with multiple stakeholders, including discussions with governments regarding local policies and with our customers to ensure an accessible market. The board recognized the contribution of the NZT Power and NEP decisions to bp's strategic priorities, including the high grading of our hydrogen and CCS projects and the role these projects can play in helping advance the UK's journey to net zero.

In the US, the board was supportive of the high-value growth opportunity presented by Kaskida and the contribution it could make to deliver secure, reliable and affordable energy.

Stakeholders considered

★ See glossary on **page 351**

Safety and sustainability committee

Melody Meyer
Safety and sustainability committee chair

> The committee undertook a number of site visits to engage with employees and observe bp's safety and sustainability culture and performance in person.

Meetings and attendance

The committee met five times during 2024. Regular attendees included SVP internal audit, EVP production & operations, EVP strategy, sustainability & ventures, SVP HSE and carbon, SVP safety and operational risk assurance, SVP sustainability and VP internal audit – safety and sustainability.

Non-executive directors	Five scheduled meetings
Melody Meyer: member (from May 2017), chair of the committee (from November 2019)	5/5
Satish Pai: member[a]	4/5
Sir John Sawers: member (until April 2024)	1/1
Johannes Teyssen: member	5/5

a Satish Pai was unable to attend the scheduled meeting in June due to an existing external commitment.

Chair's introduction

Dear fellow shareholders,

I am pleased to present the safety and sustainability committee report for the year ended 31 December 2024.

Safety performance remained a focal point for the committee during the year, with the committee observing significant progress made in reducing tier 1 process safety incidents. This included overseeing management's progress in the implementation of Process Safety Improvement Plans (PSIPs) across the company, with deeper dives on personal safety, operational integrity and threat risk across a number of our businesses and operations.

Tragically, we lost a colleague in our recently acquired bp bioenergy business in Brazil from injuries sustained during an operational activity. We extend our deep condolences to his family and colleagues. Management reported on the actions being taken to embed the bp Operational Management System across bp bioenergy and to learn from this incident.

The committee undertook a number of site visits to engage with employees and observe bp's safety and sustainability culture and performance in person. The committee members appreciated the candour and culture experienced at each site visited, details on **page 81.**

Looking forward to 2025, the committee will focus its oversight on maintaining the good progress and continuous improvement in safety performance and implementation of the updated sustainability aims (further detail on **page 38**).

Role of the committee

The committee oversees the management of safety and sustainability matters, including relevant systems and processes, focusing on those which it considers to be most potentially material from time to time.

Key responsibilities

The committee's full terms of reference can be viewed at **bp.com/governance**.

Melody Meyer
Committee chair
6 March 2025

Activities during the year

Overseeing improved safety performance

- One primary focus of the committee is the oversight of safety performance, critically analysing management's progress in the reduction of tier 1 and 2 process safety events★. During 2024, the committee oversaw improved tier 1 safety performance, with tier 1 safety events being 67% lower than in 2023.
- Additionally, the committee oversaw the implementation of PSIPs to address a 17% increase in tier 2 safety events in the year. This included overseeing the continued embedding of the Refining, Terminals and Pipelines 5-Point Plan, created as a priority initiative following fatalities at the Toledo refinery in September 2022.
- In addition, the committee received:
  - Routine updates from the EVP production & operations on safety and operational performance and key safety moments from around the business.
  - Reports on major operational, security (including crisis management and business continuity) and cyber security incidents (for example, detail on learnings from the global CrowdStrike outage in July 2024).
  - Deep-dive updates regarding significant or material events and specific risk areas within the business, including a fatality at Guariroba mill in our recently acquired bp bioenergy business in Brazil from exposure to steam at extreme temperature, and a full shutdown at Whiting refinery in the US resulting from a power outage. The committee challenged management on the root cause and learnings from these incidents and how learnings are embedded into existing safety processes.
  - The committee also made recommendations to the remuneration committee regarding safety remuneration targets and outcomes. This included critically analysing current methodologies for the setting of targets to ensure they are appropriately achievable while remaining stretching.

Providing challenge on risk management

- The committee plays an important role in the bp risk management process, providing independent challenge to management on the processes and procedures implemented to manage safety and sustainability risk. This is achieved by reviewing and monitoring the principal risks allocated to it by the board through deep-dive updates, for example related to wells, product quality and ethical misconduct and non-compliance.
- Proactive deep-dives are made into specific areas of risk within the business. For example, the committee began receiving enhanced reporting on risk management within the bpx energy business, which continued into 2024. This reporting has allowed the committee to challenge the business on the cascading of safety learnings and implementation of process safety improvement plans, demonstrated by improved safety performance within bpx energy during 2024.
- Routine updates on the activity of internal audit are received by the committee, including an annual report on bp's system of internal control. This supports the committee by providing an independent view on management's safety and sustainability performance, helping to draw out where key challenges and risk areas may lie.

Guiding delivery against strategy and aims TCFD

- The committee oversees progress against bp's sustainability aims through receiving routine updates from the SVP sustainability. During 2024, deep-dives were undertaken into each pillar of the sustainability frame, with regular focus on management's plans to address areas of more challenged delivery.
- The committee remains abreast of the current global sustainability reporting environment, including bp's plans for compliance. For example, in November, the committee received a joint update with the audit committee on bp's plans for compliance with the EU Corporate Sustainability Reporting Directive and EU Taxonomy Regulation.
- Recommendations were made to the remuneration committee regarding sustainability-linked remuneration targets and outcomes. For example, the committee made a recommendation to the remuneration committee to move the 2024 annual cash bonus target from sustainable emissions reductions to one based on operational emissions reductions (see remuneration report on **page 88**).

Key

TCFD	Information that supports TCFD Recommendations and Recommended Disclosures in relation to governance (see **pages 42-45**)

Castellón refinery, Spain

Insights from Castellón refinery, Spain – July 2024

During the S&SC's trip to Castellón refinery the team provided an insight into its implementation of the 5-Point Plan and other PSIPs. The team also briefed the committee on the cascading of learnings following a fatality on-site in 2021, including consequent reinforcement of the Life Saving Rules on-site and piloting of a bespoke safety programme (Safety in Mind) to embed human performance principles of safety on-site. In addition, the committee was briefed on plans to develop the asset's green hydrogen★ operations.

"The local team provided the S&SC with an insight into its implementation of the 5-Point Plan and other PSIPs."

Sustainability initiatives at *Castrol*, India – September 2024

The committee observed first-hand several of *Castrol*'s innovative sustainability initiatives, including ambient temperature blending, electricity optimization measures and its strategy to use 100% renewable energy from the local grid. The trip was also an opportunity to hear from the local team how it has improved safety performance through digitization, including automated maintenance management.

Castrol plant, India

Audit committee

Tushar Morzaria
Audit committee chair

> "The committee oversaw significant change in bp's reporting processes in the year."

Meetings and attendance

The committee met nine times during 2024. Regular attendees included the chief financial officer (CFO), SVP accounting, reporting and control, SVP internal audit, EVP legal, and the external auditor.

Non-executive directors	Nine scheduled meetings
Tushar Morzaria: member (from September 2020), chair of the committee (from May 2021)	9/9
Pamela Daley: member	9/9
Paula Reynolds: member (until April 2024)	2/2
Karen Richardson: member	9/9
Hina Nagarajan: member[a]	8/9

a Hina was unable to attend the meeting in December due to an existing external commitment.

Chair's introduction

Dear fellow shareholders,

I am pleased to present the audit committee report for the year ended 31 December 2024.

At the heart of the committee's role is bp's financial reporting – monitoring its continued integrity, overseeing management's control procedures and assessing their effectiveness and working with internal and external auditors to ensure that what you – our shareholders – rely on in our reporting has been appropriately challenged and reviewed. This is work we undertake on behalf of the board, co-ordinating with some of the board's other committees for their relevant input and ultimately making recommendations to the board in support of the governance processes we have established.

In pursuit of this agenda, the committee oversaw significant change in bp's reporting processes in the year, with the introduction of trading statements which are now issued shortly after the end of the quarter to provide up-to-date performance insights.

A highlight of our activity during the year has included monitoring progress against bp's target relating to the delivery of savings[b], and the committee will continue to monitor progress in 2025 following the announcement on 26 February 2025 to deliver between $4-5 billion of structural cost reductions★ by the end of 2027. An additional highlight was a deep-dive into how bp manages risks associated with the integration of acquisitions.

Against the backdrop of an ever-changing regulatory environment, the committee has engaged with management to assess bp's approach to new sustainability reporting and the requirements of the new UK Corporate Governance Code 2024, receiving regular updates on implementation and plans for compliance.

We spent time with the trading and shipping team (now the supply, trading and shipping team) in Houston, US and our business and technology centers in Pune, India, both being strategically significant areas of bp's business. Read more on **page 83**. The committee continues to engage with other stakeholders where appropriate, including through regulatory inspections when they occur.

On behalf of my colleagues on the committee, I would like to extend my thanks for the continued professional support and focus of effort by management and our various advisers during a year where bp delivered strong performance in some areas but had some challenges in others. We look forward to continuing this journey through 2025.

Role of the committee

The committee monitors the effectiveness of the group's financial reporting, including ESG and climate-related financial disclosures, as well as systems of internal control and risk management as allocated by the board. It also monitors the integrity of the external and internal audit processes.

This report describes how bp has approached compliance with the provisions of the FRC's Audit Committees and the External Audit: Minimum Standard.

Key responsibilities

A summary of the committee's terms of reference is on **page 335** and the full terms of reference can be viewed at **bp.com/governance**.

Tushar Morzaria
Committee chair
6 March 2025

Financial expertise

The board is satisfied that

- Tushar Morzaria, the chair of the committee, has recent and relevant financial experience as required by the UK Corporate Governance Code and that he is competent in accounting and auditing in accordance with the FCA's Disclosure Guidance and Transparency Rules.
- The committee has an appropriate and experienced blend of commercial, financial and audit expertise to assess the issues it is required to address, as well as competence in the relevant sector in which bp operates.
- As a US foreign private issuer, the committee meets the independence criteria provisions of Rule 10A-3 of the US Securities Exchange Act of 1934, and Tushar Morzaria can be regarded as an audit committee financial expert as defined in Item 16A of Form 20-F.

b Target first introduced in bp's first quarter 2024 group results announcement referred to as cash costs savings. Cash costs has the same meaning as underlying operating expenditure★.

Activities during the year

Monitoring the integrity of financial reporting and assurance

- Through monitoring and reviewing that bp's financial statements and formal announcements relating to bp's financial performance are clear and appropriate, the committee oversees the integrity of our financial reporting.
- Management's application of key accounting policies and recommendations on financial reporting judgements was carefully considered, with the committee concluding that these matters were appropriately addressed in the financial statements.
- The committee oversaw change in bp's reporting processes, playing a key role in reviewing the governance, assurance and reporting arrangements for trading statements, which were introduced for the first quarter of 2024 with the aim of providing performance insights to investors ahead of the release of quarterly results.
- The committee monitored progress and reporting on cost savings.

Going concern, viability and fair, balanced and understandable considerations

The committee reviewed the company's going concern assumption and longer-term viability statement. In determining and recommending to the board that it was appropriate to adopt the going concern basis of accounting and the longer-term viability of the company, the committee considered carefully (and challenged constructively where appropriate) for example certain enhancements to the longer-term viability statement as found on **page 113**.

The committee received an update from management on the verification process for the bp Annual Report and Form 20-F in support of its recommendation to the board that the annual report was fair, balanced and understandable. The bp Annual Report and Form 20-F was comprehensively reviewed with input from subject matter experts and the external auditors. The committee's review included consideration of bp's non-financial disclosures such as the Task Force on Climate-related Financial Disclosures (TCFD) that are made in compliance with the UK Listing Rules. **TCFD**

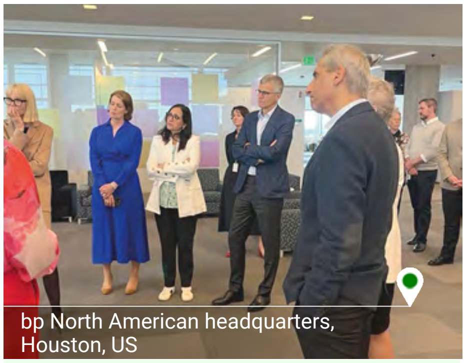
Maintaining resilience through systems of internal control and risk management

- The committee oversaw risk management and internal control processes, routinely reviewing and monitoring principal risks allocated to it by the board through a combination of business or function reviews and focused engagement with key stakeholders.
- Through a deep-dive update, the committee discussed bp's approach to acquisition integration. The session focused on the implementation of revised policies and requirements to manage risk and reduce complexity in aligning new acquisitions with bp's control environment.
- Through supply, trading and shipping updates, the committee reviewed risks to trading such as market, liquidity, credit, operational and people risks and control items. In light of the changing macro and energy price environment, the committee considered the LNG hedging strategy ahead of the winter period, and reviewed and challenged the longer-term outlook for energy prices against bp's price assumptions.
- The committee reviewed the affordability of distributions, taking into account factors such as whether sufficient distributable reserves are available.
- In addition, the committee received:
  - updates on the systems in place to assess fraud risk and the controls in place to manage and mitigate identified risks.
  - an update on compliance with business regulations, together with additional briefings during the year on technical accounting updates and developing ESG disclosures. **TCFD**
- The committee remained prepared for regulatory developments, including receiving updates on the consideration of enhancements to bp's risk management and internal control framework as a result of the new 2024 UK Corporate Governance Code, and received updates on implementation progress.

Effectiveness of risk management and systems of internal control

The committee reviewed and challenged management on the effectiveness of the system of internal control and agreed that it did not require further action nor were there any significant failings or weaknesses to report. As part of this assessment the committee considered internal audit's annual review of internal control and risk management, together with an assessment of it from management. Further details can be found on **pages 112-113**. The committee also discussed internal controls and financial reporting processes during the year, challenging control gaps identified and subsequent actions to remediate, and reviewed progress towards addressing deficiencies that had been previously identified in relation to manual journal controls. Further details on internal controls in place for financial reporting can be found on **page 336.**

In addition, the committee received updates on the evolution and enhancement of non-financial reporting controls and assurance, such as first and second line of defence activities, to take into account the expected increase in new reporting obligations. **TCFD**



bp North American headquarters, Houston, US

US site visit – June 2024

The committee engaged with a range of internal stakeholders during the board's visit to the US in 2024. They toured the supply, trading and shipping activities in Houston, an important part of bp's portfolio, with a focus on biogas, natural gas and power, and met with the local leadership team.

bp office in Pune, India

India site visit – September 2024

During the committee's visit to India, the directors met internal stakeholders based in Pune, ending with a session with the local leadership team. As part of their floor walks across bp's sites, the committee engaged with the finance, business and technology team on their growth story, portfolio and accomplishments.

Key

TCFD	Information that supports TCFD Recommendations and Recommended Disclosures in relation to Governance (see **pages 42-45**)

Overseeing the relationship with external and internal audit

- On the recommendation of the committee, the board will propose the reappointment of Deloitte as our external auditor to shareholders at the 2025 annual general meeting. The external auditor's independence and objectivity were reviewed and monitored by the committee using a combination of factors, including assurances provided to it by the external auditor, the level of non-audit fees, and the timeline for lead audit partner rotation and re-tender of audit services. The committee was satisfied with the audit team's effectiveness, service quality and commitment, including that the external auditor provides constructive challenge to management. In support of this, the committee received reports from the external auditor that covered insights from their audit work, actions taken to address the FRC's annual report on the external auditor, and the inspection results of the external auditor's quality control procedures. In addition, the committee received reports from management, which included a survey seeking internal stakeholder feedback on the external auditor's performance and bp's commitment to the audit. The main measurement criteria covered planning and scope, robustness of audit, independence and objectivity, quality of delivery, quality of people and service, and value-added advice.
- The committee met privately with the external auditor during the year, and in addition reviewed, approved and monitored progress against the external audit plan, considering materiality levels, audit risks, scoping changes, and resourcing. The committee is satisfied that the external auditor has full access to staff and records.
- The committee continued to monitor and review the effectiveness and capabilities of the internal audit function. This included for example reviewing and approving the internal audit plan in the context of bp's principal risks and discussing an update on actions taken in response to the recommendations of an external quality assessment conducted by PwC in 2022. The committee concluded that the function had independent, unrestricted scope, access to information, and sufficient resources to fulfil its mandate. They met privately with the SVP internal audit, discussed regular updates on internal audit activities and where appropriate challenged management's response and progress made on the closure of findings.

A summary of the external audit approach, including audit risks, is set out in the independent auditor's report on **pages 116-133**.

Lead audit partner rotation and re-tender of audit services

The external auditor must rotate the lead audit partner every five years and other senior staff every five to seven years.

The company complies with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which requires bp to tender the audit at least every 10 years.

External audit services were last tendered in 2016 and the external auditor has been in that role since 2018 (seven years). It is anticipated that a re-tender will be completed by 2026, for the 2028 audit. The committee believes that the timeline is in the best interests of shareholders, providing an appropriate balance between knowledge of controls and risks, maintaining audit quality, independence and objectivity and value for money.

Oversight of audit fees and non-audit services

The committee reviewed and approved the audit services fee and terms of engagement for the external auditor while retaining oversight of bp's policy on non-audit services and the review and approval of non-audit services.

The total amount of audit and non-audit fees paid to Deloitte for 2024 is set out in **Financial statements – Note 36**. The committee is satisfied that the audit fee is appropriate in respect of the audit services provided. The majority of non-audit fees relate to work of an assurance nature.

The non-audit services policy safeguards audit objectivity and independence through the prohibition of non-audit tax services being provided by the external auditor, the limitation of audit-related work which falls within defined categories, and by stating that the auditor may not perform non-audit services that are prohibited by the SEC, Public Company Accounting Oversight Board (PCAOB), International Auditing and Assurance Standards Board (IAASB) or the FRC.

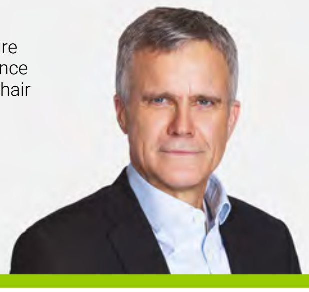
The external auditor is considered for permitted non-audit services only when its expertise and experience of bp are important. Approvals for individual engagements of pre-approved permitted services below certain thresholds are delegated to the SVP accounting, reporting and control or the CFO. More information is outlined in the principal accountant's fees and services on **page 337**.

Examples of how key accounting judgements and estimates were considered and addressed, and how relevant accounting policies have been applied

Key accounting judgements and estimates	Audit committee activity	Conclusions/outcomes
Impact of climate change and the energy transition TCFD		
Climate change and the transition to a lower carbon economy may have significant impacts on the currently reported amounts of the group's assets and liabilities and on similar assets and liabilities that may be recognized in the future.	• Reviewed management's best estimate of oil and natural gas price assumptions for value-in-use impairment testing and investment appraisal. • Reviewed management's determination that its best estimate of oil and natural gas prices is in line with a range of transition paths consistent with the goals of the Paris climate change agreement.	• Management's revised best estimate of oil and natural gas prices are in line with a range of transition paths consistent with the goals of the Paris climate change agreement. • See Financial Statements – Note 1 for more details on how bp applies carbon pricing in its impairment testing, sensitivity analyses estimating effects of changes in net revenue and changes in the expected timing of decommissioning.

Key accounting judgements and estimates	Audit committee activity	Conclusions/outcomes
Provisions		
The group holds provisions primarily for decommissioning, environmental remediation and litigation. The most significant provision is for the future decommissioning of oil and natural gas production facilities and pipelines. Estimation uncertainty exists as most of these events are many years in the future. Assumptions are made by bp in relation to cost estimation, settlement dates, technology, legal requirements and discount rates. There is also a risk that decommissioning obligations from previously divested assets revert to bp.	• Received briefings on decommissioning (including the process for managing the risk of decommissioning reversion), environmental, asbestos and litigation provisions. These included the requirements, governance and controls for the development and approval of cost estimates and provisions in the financial statements. • Reviewed and challenged the group's discount rates for calculating provisions.	• Decommissioning provisions of $11.8 billion were recognized on the balance sheet at 31 December 2024. • The discount rate used by bp to determine the balance sheet obligation at the end of 2024 was a nominal rate of 4.5% based on long-dated US government bonds, an increase of 0.5% from 2023.
Recoverability of asset carrying values		
Determination as to whether and how much an asset (including exploration intangibles), cash generating unit (CGU) or group of CGUs containing goodwill is impaired involves management judgement and estimates on uncertain matters such as future commodity prices, discount rates, production profiles, reserves and the impact of inflation on operating expenses. Judgement is required to determine whether it is appropriate to continue to carry intangible assets related to exploration costs on the balance sheet.	• Reviewed policy and guidelines for compliance with oil and gas reserves disclosure regulation, including the group's reserves governance framework and controls. • Reviewed and challenged the group's oil and gas price assumptions. • Reviewed and challenged the group's discount rates for impairment testing purposes. • Impairment charges, reversals and 'watch-list' items were reviewed in the quarterly due diligence process.	• The group's price assumption for Brent oil and for Henry Hub gas were updated as set out on **page 20** and Financial Statements – Note 1. • Sensitivity analyses estimating the effect of changes in net revenue and discount rate assumptions have been disclosed in Financial Statements – Note 1. • Net impairment charges of $5.2 billion as disclosed in Financial Statements – Note 4. • Exploration intangibles totalled $4.4 billion at 31 December 2024.
Taxation		
Computation of the group's income tax expense and liability, the provisioning for potential tax liabilities and the level of deferred tax asset recognition are underpinned by management judgement and estimation of the amounts which could be payable. Judgement is also required when determining whether a particular tax is an income tax or another tax type.	• Received regular updates on the group's tax risk exposures and deferred tax asset recognition. • Reviewed the judgements exercised over tax risk provisioning as part of its annual review of key provisions.	• Deferred tax assets of $5.4 billion were recognized on the balance sheet at 31 December 2024. • The calculation of tax risk provisions is consistent with IAS 37 and IFRIC 23.
Pensions		
Accounting for pensions and other post-employment benefits involves making estimates when measuring the group's pension plan surpluses and deficits. These estimates require assumptions to be made about uncertain events, including discount rates, inflation and life expectancy.	• Reviewed and challenged the group's assumptions used to determine the projected benefit obligation at the year end, including the discount rate, rate of inflation, salary growth and mortality levels.	• At 31 December 2024, surpluses of $7.5 billion and deficits of $4.9 billion were recognized on the balance sheet in relation to pensions and other post-employment benefits. • The method for determining the group's assumptions remained largely unchanged from 2023. The values of these assumptions and a sensitivity analysis of the impact of possible changes on the benefit expense and obligation are provided in Financial Statements – Note 24.
Supplier finance arrangements		
The group's trade payables include certain supplier finance arrangements that utilize letter of credit facilities and promissory notes. Judgement is required to assess trade payables subject to supplier financing arrangements to determine whether they should continue to be classified as trade payables and give rise to operating cash flows or finance debt and financing cash flows.	• Received a briefing on the group's supplier finance arrangements. • Reviewed the group's proposed enhanced disclosures in relation to Amendments to IAS 7 ' Statement of Cash Flows' and IFRS 7 'Financial Instruments: disclosures' relating to supplier finance arrangements.	• bp had liabilities of $7.4 billion, $1.8 billion and $0.4 billion, respectively, in respect of letters of credit, promissory notes and reverse factoring arrangements that are presented within trade and other payables at 31 December 2024. • The disclosures required by the Amendments to IAS 7 ' Statement of Cash Flows' and IFRS 7 'Financial Instruments: disclosures' relating to supplier finance arrangements are included in Financial Statements – Note 29.
Derivatives		
For its level 3 derivative financial instruments, bp estimates their fair values using internal models due to the absence of quoted market pricing or other observable, market-corroborated data. Judgement may be required to determine whether contracts to buy or sell commodities meet the definition of a derivative, in particular LNG contracts.	• Received a briefing on the group's trading risks and reviewed the system of risk management and controls in place. • Reviewed the control process and risks relating to the trading business. • Received updates on accounting judgements on LNG contracts.	• bp has assets and liabilities of $16.0 billion and $14.4 billion, respectively, recognized on the balance sheet for level 3 derivative financial instruments at 31 December 2024, mainly relating to the activities of the trading & shipping function. bp's use of internal models to value certain of these contracts has been disclosed in Financial Statements – Note 1. • bp considers that contracts to buy or sell LNG do not meet the definition of a derivative under IFRS.

People, culture and governance committee



Helge Lund
People, culture and governance committee chair

"2024 has been a busy year for the committee, with a strong focus on leadership succession and development."

Meetings and attendance

The committee met seven times during 2024. The CEO and EVP people, culture & communications regularly attend these meetings.

Non-executive directors	Six scheduled meetings	One ad hoc meeting
Helge Lund: member (from July 2018), chair of the committee (from September 2018)	6/6	1/1
Dame Amanda Blanc: member[a]	6/6	0/1
Dr Johannes Teyssen: member (from April 2024)	3/3	1/1
Hina Nagarajan: member (from April 2024)	3/3	1/1
Paula Rosput Reynolds: member (until April 2024)[b]	2/3	0/0
Sir John Sawers: member (until April 2024)	3/3	0/0

a Dame Amanda was unable to attend the ad hoc meeting in October due to an existing external commitment.
b Paula was unable to attend the scheduled meeting in February due to an existing external commitment.

Chair's introduction

Dear fellow shareholders,

I am pleased to present the people, culture and governance committee (PCGC) report for the year ended 31 December 2024.

2024 has been a busy year for the committee, with a strong focus on leadership succession and development. This is to position bp to leverage the skills and experience we have in pursuit of our strategy.

In 2023 our emergency executive succession plans were tested – successfully – with the appointments of Murray Auchincloss and Kate Thomson into interim positions, prior to their permanent appointments as CEO and CFO in January and February 2024 respectively.

Following the board's decision in January 2024 to appoint Murray Auchincloss as our permanent CEO, the committee oversaw the launch of a new leadership team structure.

Succession and development plans for executive roles across the short, medium and long term have been refreshed and are routinely reviewed by the committee. The committee also revised emergency succession plans, which will continue to be assessed and reviewed for the key CEO and CFO roles.

Non-executive director succession was also at the forefront of the committee's agenda in 2024, seeking candidates who will fulfil the agreed criteria for emerging vacancies on our board, with a particular focus on a permanent successor with the experience to take on the chairmanship of the remuneration committee and former executives with global, transformation experience in large, complex industrial companies both from within and outside of the sector. This helps us to ensure we can maintain an effective board with the necessary skills and experience to drive forward bp's strategy.

We recognize that a strong culture – particularly a culture of caring for others and speaking up – is vital in times of change. In 2024, the committee changed its name from the people and governance committee to the PCGC to reflect its broader remit in relation to culture and engagement, including the monitoring of bp's 'Who we are' culture frame and how it is being embedded.

A strong culture requires continuous focus and the committee's enhanced oversight of the effectiveness and continual embedding of bp's culture frame will provide valuable insight about bp's culture and areas where further focus is required.

On behalf of my colleagues on the committee, I would like to thank the management team working to support and advise us in the delivery of the committee's priorities and look forward to building on the substantial progress made.

Role of the committee

The committee seeks to ensure that the composition and structure of the board and leadership team remain effective. It also monitors the balance of skills, knowledge, experience and diversity required. The PCGC oversees the development of a diverse pipeline for succession to the board and leadership team through succession planning and monitoring development plans for bp leaders and beyond.

The committee provides oversight of bp's culture and its alignment with our 'Who we are' culture frame, and monitors sentiment of the workforce.

The process for the nomination, induction and orderly succession of candidates for the board, the leadership team and the company secretary role are led by the committee, as is the annual board and committee performance review.

Key responsibilities

The committee's full terms of reference can be viewed at **bp.com/governance**.

Helge Lund
Committee chair
6 March 2025

Activities during the year

Planning for the future: the board and bp's leadership team

- As set out in our 2023 report, the committee endorsed the appointments of Murray Auchincloss and Kate Thomson as CEO and CFO, respectively in 2024. By routinely reviewing succession plans for the board, bp leadership team and senior leadership positions, and also taking into account the skills and diversity profiles we aspire to achieve for our leaders, the PCGC prepares and shapes bp's leadership structure to be fit for the future.
- The committee oversaw a proposed restructuring of bp's leadership team under the new CEO, reflecting the importance of organizational focus, simplification, and value growth. The new leadership team structure was effective from April 2024. Read more on **page 74**.
- Through updates from the EVP people, culture & communications, the committee oversees development plans for bp's senior leaders and emerging talent and their alignment with executive succession planning over different timescales. Development plans identify critical experience and roles to bolster the skills of individuals with executive potential.
- The committee assessed non-executive candidates against agreed criteria for non-executive roles[a] to equip the board with the skills and diversity needed to meet current and future needs, focusing on candidates primarily from the UK and US with industry, safety, operational and remuneration committee experience.

Diversity: continued progress

- Early in 2024, the committee recommended the appointment of Kate Thomson as CFO for approval by the board. Kate is bp's first female CFO. Dame Amanda Blanc was also appointed as SID, meaning that 50% of senior positions on bp's board are now represented by women, and as a whole the board has 55% female representation – this aligns with our board diversity, equity and inclusion (DE&I) policy aspiration towards gender parity on the board.
- The committee proposed amendments to the board DE&I policy to better inform the board and committee's approach to succession planning, recognising the benefits of diversity to decision-making and outcomes.
- The board DE&I policy applies to the board and its committees, and complements bp's wider diversity policies, the group's values, code of conduct and sustainability frame. It includes board gender and ethnicity representation targets aligned with the UK Listing Rules and a commitment by directors to increase their understanding of all aspects of diversity, equity and inclusion. Read more at **bp.com/governance**.

Strengthening oversight of culture and the voice of the workforce

- Following the standing down of the culture-focused 'Who we are' oversight committee, the PCGC oversaw the roll-out of the refreshed bp conflicts of interest policy, which incorporates bp's requirements on relationships at work.
- The committee has undertaken work relating to its broadened oversight of engagement, culture, and how culture has been embedded, which included monitoring feedback from the workforce on the refreshed conflicts of interest policy.
- The committee's oversight of bp's culture was enhanced through private sessions with bp's head of ethics and compliance (E&C) who has accountability to, and direct channels of communication with, the PCGC. The committee approves the appointment and termination of the head of E&C and reviews and recommends their remuneration to the remuneration committee.
- The workforce engagement programme (WFEP) was refined to incorporate culture-related questions, and quarterly culture-focused sessions were implemented to help the committee understand the workforce's experience of the 'Who we are' culture frame. The committee provided workforce views and feedback to the board, strengthening consideration of workforce views in board discussions and decisions. The committee concluded that the WFEP is the appropriate mechanism for workforce engagement, given the activities and structure of bp. Read more on **page 78**.

Enhancing the effectiveness of the board

- The board performance review in 2023 highlighted the importance of the board's role in monitoring culture as an important underpin of the company's performance. This led to the broadening of the committee's remit in relation to culture and engagement as already discussed within this report. The 2023 review also triggered a comprehensive programme of strategy workshops, comprising discussions between the board and members of the bp leadership team at each board meeting during 2024. This concluded with the announcement on 26 February 2025 that presented a fundamental reset of the company's strategy.
- For 2024, the annual board and committee performance review was facilitated externally by Independent Board Evaluation[b] (IBE). Inputs were sought by IBE from board members, key executives and advisors, culminating in a discussion about the report at our board meeting in March 2025.
- Following this discussion, the board agreed to implement actions across the following four areas, with the monitoring and tracking of these actions delegated to the company secretary:
  - Succession planning, induction and leadership interactions: succession planning will focus on the key roles and skills required within the board and senior management for the new strategy. This will include the creation of further opportunities or interactions with management who have high leadership potential.
  - Performance management culture: ensure that bp has a culture where members of the leadership team are held to account for performance delivery and capital allocation.
  - Risk management and governance: more in-depth discussions around emerging risks and their potential impact on organizational resilience and sustainability.

Diversity statistics and outcomes

As at 31 December 2024, 55% of the board were women, two senior board positions were held by women and three directors identified as being from a minority ethnic background, which exceeds the UK Listing Rules targets. For further numerical data on the ethnic background and gender identity or sex of bp's board and executive management, in line with the UK Listing Rules, see **page 111.**

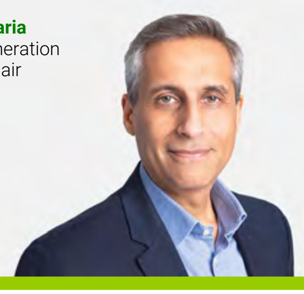
As at 31 December 2024, senior management, defined as the leadership team (being the first layer of management below board level) and the company secretary, in accordance with the UK Corporate Governance Code 2018, and their direct reports comprised 50% women (2023 51%) and 29% Black, Asian and other ethnic minority individuals (2023 26%).

bp has an ethnicity ambition to 2025, read more about this on **page 58.**

a The committee engaged Heidrick & Struggles, Korn Ferry, Spencer Stuart, Egon Zehnder and MWM Consulting in support of search activity for new board candidates. None of the search agents have any connection with the company or individual directors, save that Spencer Stuart supports on executive recruitment and Egon Zehnder provides advice and support on bp's executive development programme.

b There is no connection between Independent Board Evaluation and either bp or the individual directors.

Directors' remuneration report



Tushar Morzaria
Interim remuneration committee chair

"2024 has been a challenging year operationally but one in which bp has set the foundations for growth as a simpler, more efficient business."

Meetings and attendance

The chair and the chief executive officer (CEO) are standing attendees, except for matters relating to their own remuneration. The CEO is consulted on remuneration of the chief financial officer (CFO) and the leadership team, and receives input from the committee on remuneration across the wider workforce. Both the CEO and CFO are consulted on matters relating to the group's performance and the metrics adopted for each performance cycle.

bp's EVP people, culture & communications, SVP reward, external advisors and other executives may attend where necessary. The committee consults other board committees on the group's performance and on issues relating to the exercise of judgement or discretion as necessary.

The committee met seven times during 2024 and all directors attended each meeting.

Non-executive directors	Six scheduled meetings	One ad-hoc meeting
Tushar Morzaria: member (September 2020), interim chair of the committee (April 2024)[a]	6/6	1/1
Paula Rosput Reynolds: member (September 2017), chair of the committee (May 2018 to April 2024)[a]	2/2	1/1
Dame Amanda Blanc: member	6/6	1/1
Pamela Daley: member	6/6	1/1
Melody Meyer: member	6/6	1/1

a Paula Rosput Reynolds stepped down from the board at the 2024 AGM. Tushar Morzaria was appointed as interim remuneration committee chair from this date.

Key

TCFD	Information that supports TCFD Recommendations and Recommended Disclosures in relation to Governance (see **pages 42-45**)

Role of the committee

The role of the committee is to determine and recommend to the board the remuneration policy and to set chair, executive director and leadership team remuneration. In determining the policy, the committee takes into account various factors, including wider workforce remuneration, structures and alignment of reward with performance, thus promoting the long-term success of the company. The committee also reviews workforce remuneration and monitors related policies, satisfying itself that incentives and rewards are aligned with bp's goals and culture.

Key responsibilities

A summary of the committee's terms of reference is on **page 335** and the full terms can be reviewed at **bp.com/governance**.

Key areas of focus in 2024

- **Change in leadership** – set the remuneration terms for the CEO and CFO, who were appointed to their respective roles on 17 January 2024 and 2 February 2024.
- **Workforce engagement** – engaged with the wider workforce on performance, reward and wellbeing. This included holding a workforce engagement programme session in May 2024, where selected employees were invited to discuss bp's approach to reward and employee engagement.
- **Remuneration outcomes** – agreed the outcomes of incentive awards for executive directors, including reviewing performance 'in the round' and determining whether discretion should be exercised. Monitored in-flight progress of equity and bonus awards.
- **Performance measures** – discussed and agreed the performance measures for the 2024 annual and long-term performance scorecards to ensure alignment with bp's strategy. This included reflecting on our sustainability measures and seeking input from the safety and sustainability committee. TCFD
- **Framework on fatalities** – reflected on the impact of fatalities on annual bonus outcomes and introduced a framework to help guide decisions going forward.
- **Merit-based reviews** – reviewed pay for performance arrangements for the leadership population in line with bp's reward principles.

Contents

Chair's introduction

Dear fellow shareholders,

On behalf of the board, I am pleased to present our 2024 directors' remuneration report.

This report provides an overview of our current remuneration policy, details the remuneration decisions we have made in respect of the year ended 31 December 2024 and provides a summary of how the policy is being implemented this year.

As this is my first report since being appointed as interim chair of the remuneration committee in April 2024, I would like to take this opportunity to thank my predecessor, Paula Rosput Reynolds, for her exemplary leadership since 2018.

I intend to continue in my interim role until at least the 2025 AGM in order to provide a robust and timely handover with the incoming remuneration committee chair once appointed to the board.

Business performance

2024 has been a challenging year operationally but one in which bp has set the foundations for growth as a simpler, more efficient business. Significant progress has been made in 2024 to focus, high grade and reshape bp's portfolio. bp delivered operating cash flow★ of $27.3 billion and adjusted EBITDA★ of $38.0 billion with upstream production 2.0% higher than in 2023.

There were also a number of strategic milestones, with final investment decision (FID) taken on 10 major projects★ and establishing key strategic partnerships.

In July 2024, bp made the FID on the Kaskida project in the Gulf of America, demonstrating our long-term commitment to delivering reliable and affordable energy. Further, progress was made in Iraq and India, where we agreed new access on a material scale. We have also made progress with our renewables business. Significant among them were our holdings in Lightsource bp and bp Bunge Bioenergia being raised to 100%. In addition, the proposed joint venture with JERA Co., Inc. will create a leader in offshore wind development and help grow the scale of the business in a capital-light way for bp.

Alongside this strategic progress, bp delivered a $0.8 billion reduction in structural costs★ during the year, creating a strong platform for 2025.

Nevertheless, it was a difficult year in parts of our customers & products businesses, particularly in refining. Margins were lower and the significant power outage at our refinery in Whiting had a direct impact on our operational and financial performance during the year, which is in turn reflected in remuneration outcomes.

The macroeconomic environment and lower prices added to a challenging backdrop.

Incentive outcomes

2024 annual bonus

The 2024 annual bonus was based on a scorecard of performance measures across three categories: safety and sustainability (30% weight), operations (20% weight) and financials (50% weight).

Safety and sustainability

Safety continues to come first in everything we do at bp and we place extensive focus on ensuring that our operations run safely every day.

Safety performance is measured against the number of tier 1 and tier 2 process safety events★ (7.5% weight each). The measures are assessed independently by the safety and sustainability committee, thus providing appropriate focus on tier 1 delivery.

The committee is pleased to report that the number of tier 1 events was lower in 2024 compared to the prior year and continues the positive trend we have seen in recent years. In contrast, there was an increase in the number of tier 2 events compared to the prior year, with 35 events in 2024. This increase has negatively impacted results delivering a combined outcome of 67% of maximum.

At the start of 2024, a framework was introduced to help guide the committee's decisions on the impact of fatalities on remuneration outcomes. The framework was intended to avoid formulaic outcomes vis-à-vis fatalities, instead providing guardrails for informed judgement in the conclusions we make, while also recognizing that every incident is different and should be reflected upon individually.

I am saddened to report that there was a fatality in October 2024 in the newly acquired bp bioenergy business. Details of how the framework has been applied in respect of this year's bonus outcomes are provided on **page 98**.

We continue our focus on sustainability. This was the first year that sustainability performance was measured against operated carbon emissions (15% weight). bp's performance was strong, delivering 1.8Mte ahead of our scorecard target, which resulted in an outcome of 84% of maximum.

Operations

The reliability★ and availability★ of our plants and refineries were impacted by operational challenges throughout the year, including the power outage at Whiting in February. This was partly offset by strong performance in other areas of the business, such as North Africa. The bonus outcome, however, was nil for this measure.

For 2024, we introduced a new operations measure that focused on earnings growth in our transition growth★ engines. Significant headwinds in certain parts of the business, along with the continued operational challenges within our customers & products businesses, resulted in this component of the scorecard yielding a nil outcome.

Financials

We have two measures of financial performance: annual adjusted EBITDA★ and modified free cash flow★[a].

In line with policy, we reflect underlying performance and hence the targets for both financial measures are adjusted for the actual price environment.

Despite recovery in the latter half of the year, financial performance was impacted by the operational challenges cited elsewhere. Adjusted EBITDA delivery at $38.0 billion and modified free cash flow at $12.5 billion were both below threshold resulting in nil bonus outcomes.

Overall result

The formulaic outcome of the annual bonus was below target at 0.45 out of 2.00 (22.5% of maximum).

The committee reflected on this score and determined it was appropriate for executive directors and the senior leadership of the company covering approximately 300 employees. We did, however, apply discretion and award a higher score (but below target) to the wider workforce covering over 38,000 eligible employees in recognition of motivation and engagement levels. bp is undergoing enormous transformation and a shrinking workforce will carry significant accountability.

2022-24 performance shares

The 2022-24 performance shares were measured against relative TSR (20% weight), return on average capital employed★ (ROACE) (20% weight), adjusted EBIDA per share compound annual growth rate (CAGR)★ (20% weight) and strategic progress (40% weight).

rTSR

For relative TSR, bp placed sixth in the comparator group which resulted in nil vesting for this measure.

Financials

Financial performance was strong over the three-year performance period and both performance measures achieved full vesting. The 2022-24 average ROACE was 20.9%, significantly outperforming expectations. Similarly, adjusted EBIDA per share CAGR performance of 11.1% exceeded the level required for maximum vesting.

a The directors' remuneration report in the *bp Annual Report and Form 20-F 2023* refers to an 'adjusted free cash flow' measure in the 2024 annual bonus scorecard. This has the same definition as the 'modified free cash flow' measure reported here.

Strategic progress

Strategic progress was measured based on a balance of quantitative assessment and qualitative judgement against the three strategic pillars set in 2022. This was supplemented with the committee's judgement on overall progress in the three years of this plan, especially in the final year of the plan.

As set out in the 2023 directors' remuneration report, in terms of the quantitative assessment, the committee also took into account value generation over the period, rather than focusing solely on volume metrics for each pillar of this measure. Further, the committee also considered the various actions taken by management, contextual to our evolving strategy during the three-year period.

We provide a detailed view of the committee's review of strategic progress on **pages 100-101.**

Having considered the above, the committee determined that while commitments set out in early 2022 were not fully realized, good progress had been made. An outcome of 66% of maximum was felt appropriate for this measure.

Overall result

Overall, performance share vesting for the 2022-24 cycle was 66.5% of maximum. The committee believes that this final outcome is an appropriate reflection of actual performance during the period and therefore has not applied any further discretion.

In determining the bonus and equity outcomes the committee has reviewed incentives holistically taking into consideration the total remuneration for Murray and Kate (2024 single figures of £5.4 million and £1.9 million respectively). We determined that this quantum for individuals managing a company of bp's size and scale felt appropriate for 2024, taking into account both the performance of the company and shareholder experience.

Looking ahead to 2025

Annual pay review

Kate Thomson was appointed to the board on 2 February 2024 and her remuneration arrangements were set in line with our policy. Her base pay was set at £800,000, which was at a lower level than her predecessor and was based on her being newly appointed to the board, while also allowing for progression in role over time.

In last year's report, we noted that any future adjustment to Kate's base pay may exceed the percentage for the wider workforce subject to performance in role. Since then, the committee has reflected on Kate's performance and her competitive positioning against the policy-determined peer group. During a period of significant change for bp, Kate performed strongly and displayed impressive leadership skills. She has clearly proven her capability over the course of the year.

In light of Kate's progression in role and very strong performance to date, the committee decided that it would be appropriate to increase her base pay by 8%. This will be effective from the 2025 AGM.

For Murray Auchincloss, his base pay will increase by 4%, which is in line with the increase being awarded to the wider workforce.

When reflecting on pay decisions for executive directors, the committee remains mindful of the transformation drive in the company as well as the approach being taken for our wider workforce pay. For 2025, the average salary increase in the UK will be 4%. Adjustments in other jurisdictions vary by local conditions. All employees in the UK earn at least the UK Living Wage.

Review of performance measures

For 2025, in line with policy, we have reviewed and aligned the measures of the bonus and performance share plan against our reset strategy, as set out on 26 February.

Alignment with strategy and financial frame

As outlined by Murray and Kate at the Capital Markets Update in February, bp has reset its strategy, simplifying our forward-looking commitments with four primary targets; adjusted free cash flow★ growth, structural cost reduction, ROACE and net debt★. You will see that, where appropriate, these targets form the basis for our incentive scorecards.

Consequently, the earnings measure in the annual bonus scorecard will be replaced with a structural cost reduction measure (25% weight). By way of balance, and to signal the importance of cash delivery, the modified free cash flow measure will increase in weight from 25% to 30%.

Reflecting the focus of our strategy, we have removed the transition growth engine growth measure, and in its place increased the weighting of bp-operated reliability and availability from 10% to 15%. In doing so, we have simplified the scorecard from 6 to 5 measures.

Our focus on safety and emissions has not changed and therefore the current measures and weightings under this category will remain the same.

For performance share awards, we reflected on the appropriate mix of financial measures in the scorecard for 2025-27 – taking into consideration the priorities set out in the strategy update.

To better reflect the importance of cash generation, we have replaced the earnings measure with adjusted free cash flow CAGR★ in our scorecard (20% weight). The committee believes the dual focus of modified free cash flow in the short term and adjusted free cash flow CAGR over the long term is appropriate for the scorecards as they bring focus and are aligned to bp's strategy.

Further, we are proposing to align the ROACE measure with our external commitments, with performance being assessed to the end of 2027 and adjusted for the environment.

All other measures from the 2024-26 plan remain unchanged.

Alignment with stakeholders

During the year, we continued our practice of regular engagement with shareholders. We engaged with our top shareholders and investor bodies, accounting for over 35% of issued share capital, and have taken into consideration their views when determining the 2024 remuneration outcomes and 2025 performance measures. We have tried to strike a balance between broader shareholder experience and executive motivation in determining the overall bonus and share plan outcomes.

Concluding remarks

I hope that you find this year's report a clear account of the committee's application of the remuneration policy during the year.

On behalf of the committee, I would like to extend my thanks to our various advisors, shareholders and investor bodies for their input and engagement during the year. While 2024 was a year of mixed performance, we are thankful for the support received and look forward to continuing this journey in 2025.

At the forthcoming AGM there will be an advisory vote in respect of the directors' remuneration report and I look forward to your continued support of remuneration at bp.

Tushar Morzaria
Interim chair of the remuneration committee
6 March 2025

Remuneration at a glance

Key performance highlights in 2024

$27.3bn
operating cash flow★
Resilient financial performance

$38.0bn
adjusted EBITDA★

+2%
upstream production
2,358mboe/d 2024 production

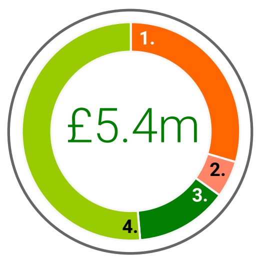
- Agreed to form offshore wind JV with JERA Co., Inc., divesting non-core assets.
- 100% ownership of bp bioenergy and Lightsource bp.
- Delivered $0.8 billion structural cost reduction★.
- Start-up of a major project★ and sanctioned a further 10 projects.

Total remuneration in 2024

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

Single figure

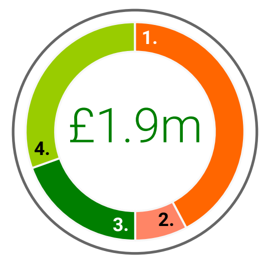
Chief executive officer



35% **Fixed pay**

65% **Variable pay**

Chief financial officer

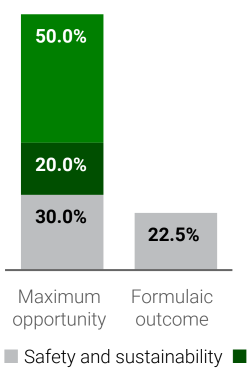


50% **Fixed pay**

50% **Variable pay**

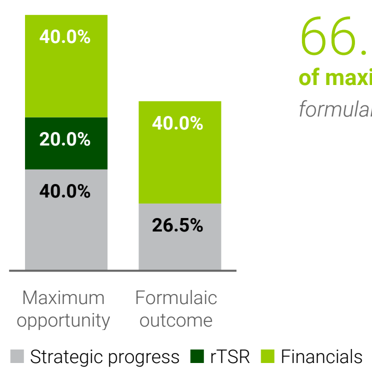
Pay outcomes in 2024

Annual bonus 2024



22.5%
of maximum
formulaic outcome

Performance shares 2022-24



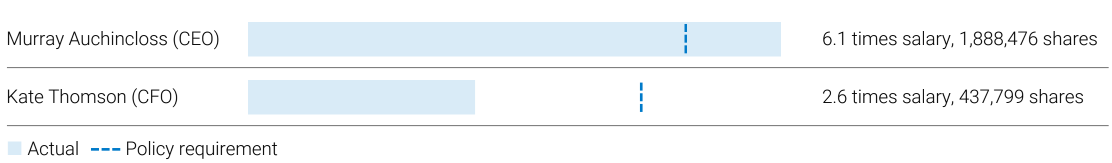
66.5%
of maximum
formulaic outcome

Application of discretion
The committee determined not to exercise discretion in determining the outcomes for the annual bonus and performance shares, reflecting on performance and the broader shareholder experience during the performance period.

Alignment with shareholders

Share ownership

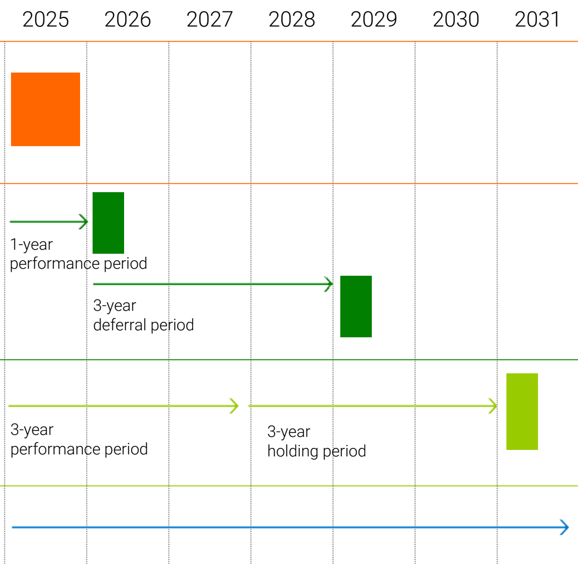
Share ownership is a key means by which the interests of executive directors are aligned with those of shareholders.



Remuneration at a glance continued

Application of remuneration policy for 2025

Set out below is an illustration of how the remuneration policy will be implemented for 2025.



Fixed pay (salary, pension and benefits)	• Upon appointment in 2024, the CEO's and CFO's salaries were set at £1.45 million and £0.8 million respectively. Their salaries remained unchanged in respect of 2024. • For 2025, Murray's salary will increase by 4% in line with the wider workforce. Kate's salary will increase by 8%, reflecting her performance and development in role since appointment.
Annual bonus[a]	• CEO's max opportunity: 225% of salary. • CFO's max opportunity: 225% of salary. • For 2025, a structural cost reduction measure has been introduced to the bonus scorecard **(see below)**.
Performance shares	• CEO's max opportunity: 500% of salary. • CFO's max opportunity: 450% of salary. • For 2025-27, an adjusted free cash flow CAGR measure has been introduced to the performance shares scorecard **(see below)**.
Shareholding requirement	• 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 up until 'minimum shareholding requirement' is met. At this point, 67% is paid in cash and 33% is deferred into bp shares.

Alignment of 2025 variable remuneration with strategy

Each year, the committee aims to set a remuneration framework for executive directors that supports and incentivizes the execution of our strategy. For 2025, the performance measures in the annual bonus and performance shares scorecards have been refined to align with our reset strategy. Measures that have been introduced for 2025 have been marked with ▲ below. Further details on the rationale for their inclusion can be found on **pages 104-105.**

	Net zero by 2050 or sooner	Financial frame	Strategy
Annual bonus			
Safety and sustainability (30%)			
Tier 1 and tier 2 process safety events★			●
Operated carbon emissions	●		●
Financials and operations (70%)			
Modified free cash flow★ ($bn)		●	●
Structural cost reductions★ ($bn) ▲		●	●
bp-operated reliability★ and availability★			●
Performance shares			
Cumulative reduction % in operated carbon emissions (15%)	●		
Relative TSR (25%)		●	
ROACE★ (20%)		●	●
Adjusted free cash flow CAGR★ (20%) ▲		●	●
Strategic progress (20%)			●

Directors’ remuneration report continued

Engaging with our workforce

As a committee, we spend considerable time on matters relating to performance and remuneration arrangements across the wider workforce. We believe that our people are the key to bp’s success and our approach to performance and reward should be fair and consistent across the organization.

Alignment of executive and workforce remuneration

All employees	Element of remuneration	Executive directors
Salary is the basis for a competitive total reward package for all employees, and we conduct an annual salary review for all non-unionized employees. In setting pay budgets, we assess how employee pay is currently positioned relative to market rates, wage inflation, forecasts and business context.	Salary	The salaries of our executive directors are reviewed annually, along the same timeline as the wider workforce. The review of salaries will take into account the same factors considered for the wider workforce. Salary increases for executive directors will typically be at or below the workforce rate, other than in specific circumstances.
We operate different pension plans by location and for those parts of our business where market practice is markedly different, e.g. our retail business. For our population of non-retail employees in the UK, we provide a flexible cash benefits allowance of 20% of salary. The benefits available are aligned with competitive market practice in our different jurisdictions.	Pensions and benefits	Executive directors receive a cash allowance in lieu of pension aligned with the wider workforce (currently 20% of salary). Other than the provisions of car, security and tax preparation related benefits, benefit packages are broadly aligned with those of other employees in the UK.
More than half of the eligible workforce participate in an annual cash bonus plan that multiplies a grade-based target bonus amount by a bp performance factor derived from the bonus scorecard. Select participants may be nominated to receive an uplift to their bonus outcome, reflecting their personal contribution and impact. We operate different bonus plans for those distinct parts of our business where market practice is markedly different.	Annual bonus	The annual bonus for the executive directors is linked to the same bp performance factor as for the wider workforce. Executive directors are not entitled to a bonus uplift linked to individual performance. For executive directors, a portion of any award is deferred into shares for three years. The deferral rate depends on whether the executive director has met their minimum shareholding requirement.
We operate share plans with three-year vesting for all our senior leaders. Opportunity varies across two broad tiers: group leaders (approximately 300) and senior-level leaders (approximately 4,500).	Performance shares	Executive directors are eligible for performance share awards, which are subject to stretching performance targets over a three-year period. An additional three-year post-vesting holding period applies for executive directors.

Other elements of pay

Recognition

energize!, our global recognition platform, is open to all employees for peer-to-peer recognition. The scheme aims to celebrate employee’s contributions, highlight behaviours vital to our success and drive a performance edge. In 2024, a total of 38,800 energize! awards were made.

We also operate a spot bonus programme, where individuals or teams can be nominated to receive a one-off cash award to recognize their achievements.

Senior leaders and our executive directors fully participate in the programmes, typically by giving recognition.

Focus@bp

At bp, focus@bp is our internal platform that helps support performance development. The platform enables employees to set dynamic goals, have regular check-ins, give and receive meaningful feedback and grow skills to enable our teams to develop and deliver.

We believe that performance matters, both individually and collectively, and development is key in helping to improve our performance as a business.

focus@bp forms the basis of discussions relating to development or progression and is factored in when making decisions in relation to an individual’s remuneration.

All-employee share plan

bp operates an award-winning global ShareMatch programme which is available to over 18,000 employees in 46 countries.

This plan offers our employees the opportunity to invest and share in bp’s success, fostering a culture of shared ownership.

At the end of 2024, the participation rate in the scheme was 65% of eligible employees.

★ See glossary on **page 351**

Workforce highlights in 2024

Supporting employees during transformation

Health and wellbeing

Within the context of our ongoing organizational transformation, we have deepened our global wellbeing resources to help support our employees during this time.

We have created new education modules for leaders to help support their teams through change, hosted sessions to help equip our people with tools to navigate change, worked collaboratively with our employee assistance programme partner to deepen their support resources including introducing a new product to offer proactive check-ins with a counsellor and offering a broad range of webinars and educational material.

Fostering a high-performance and inclusive culture

We remain focused on building a performance-based organization, that is representative of the world around us and an inclusive culture that creates a sense of belonging where people can perform at their best.

As part of organizational transformation, we have embedded assurance processes within the selection process centred around promoting fairness and inclusivity for all. In addition, we have engaged with our business resource groups, using listening sessions and regular feedback channels to understand concerns and requests for support.

Reward in our new businesses

As we have acquired a number of new businesses – including TravelCenters of America in May 2023 and more recently Lightsource bp and bp bioenergy in October 2024 – we have reviewed the reward framework of each new business on an individual basis. As part of these reviews, it is recognized that a universal approach may not meet the unique needs of the business.

As part of this process, consideration is given to the local market and talent pool in which the new business predominately operates. For example, the acquisition of TravelCenters of America fundamentally changed our US footprint. The deal added a network of around 290 retail sites across the US and over 20,000 employees to bp's population. Therefore, when reflecting on our reward offering the focus has been on simplification and aligning incentives with the US retail market.

This differs from the approach taken at bp bioenergy, where the workforce consists of over 8,800 employees and 5,600 contractors across our operated mills in Brazil and the annual reward cycle is based on a March year-end in line with the local crop season.

From a safety perspective, our intention is to embed bp's safety culture, operating systems and practices across all our businesses. We acknowledge this can take time depending on the complexity of the newly acquired business[a].

Workforce engagement

bp places particular importance on engaging with employees, recognizing that it is critical to have an engaged workforce to deliver our strategy.

We aim to have an open dialogue between the board, senior management and the wider workforce and encourage employees to share their views. For example, employees are kept regularly informed of matters of interest to them through bp's intranet, social media channels, town halls, site visits and webinars.

During 2024, we continued to actively seek employee views through a variety of discussion groups. We held a number of employee-led forums and consulted our business resource groups, with a board-led session as part of the workforce engagement programme (WFEP) in May 2024 (see right).

More detail on bp's WFEP can be found on **page 78**.

Employees at our Cherry Point refinery, US

Shareholder views

We are committed to ongoing engagement with our shareholders. We believe it is important to meet regularly to understand their views on our remuneration arrangements and their evolving expectations.

Feedback received frames our decisions on executive pay and other topics.

bp.com/reportingcentre

> "We have worked to develop a bp where our people can be themselves and work in a company that cares while also delivering results..."

Employee forum

In May 2024 we held a WFEP session with selected employees from different locations across the globe.

The session was led by Dame Amanda Blanc, senior independent director, and Kerry Dryburgh, EVP people, culture & communications.

The focus of the session was on performance, reward and employee engagement, with employees taking the opportunity to share their personal views and experiences of working at bp.

In the session, individuals commented on the strong sense of culture at bp, referencing how our values are clearly present in day-to-day activities. The recent changes to reward, such as the introduction of a bonus uplift relating to individual performance, were also well received and considered motivational.

Key themes of the session were shared with the committee and have provided valuable insight.

Oak Tree retail site, Surrey, UK

a For recently acquired businesses, there is typically a transition period while bp's operating standards, as set out in our Operating Management System★, are integrated or aligned.

Executive directors’ pay for 2024

Single figure table – executive directors (audited)[a]

	Murray Auchincloss[b] thousand 2024	Kate Thomson[c] thousand 2024	Murray Auchincloss[b] thousand 2023
Salary	**£1,450**	**£731**	£1,015
Benefits	**£132**	**£67**	£338
Cash allowance in lieu of pension	**£290**	**£146**	£190
Annual bonus[d]	**£734**	**£370**	£1,839
Performance shares[e,f]	**£2,750**	**£575**	£4,362
Total remuneration	**£5,356**	**£1,889**	£7,744
Total fixed remuneration	**£1,872**	**£944**	£1,543
Total variable remuneration	**£3,484**	**£945**	£6,201

a Due to rounding, the totals may not agree exactly with the sum of the component parts.
b Murray Auchincloss was appointed interim CEO on 12 September 2023, having previously been CFO. He was appointed as the permanent CEO on 17 January 2024.
c Kate Thomson was appointed as permanent CFO and joined the board effective from 2 February 2024. The amounts disclosed reflect her service in the year as an executive director.
d In line with the 2023 policy, annual bonus is subject to deferral into shares for three years at a rate of 33% or 50%, depending on whether an individual has met their minimum shareholding requirement. See page 97 for further detail on the approach taken for the 2024 annual bonus.
e For Murray Auchincloss, the value of the performance share award has been calculated using the average share price in the last three months of 2024 of £3.90 and includes notional dividends accrued up to 14 February 2025. For 2023, the performance shares have been restated to reflect the share price on the date of vesting of £4.52 and actual dividends received.
f For Kate Thomson, the value of the performance share award relates to her previous role prior to her appointment to the board, but has been included in the table above for transparency. The award has been calculated using the average share price in the last three months of 2024 of £3.90 and includes notional dividends up to 14 February 2025. For 2022-24, performance share awards below board had a different scorecard to executive directors, which resulted in an outcome of 73% of maximum.

Overview of single figure outcomes

Salary

On 12 September 2023, Murray Auchincloss was appointed as CEO on an interim basis and his base pay was set at £1.45 million. This remained unchanged upon appointment to CEO on 17 January 2024. Kate Thomson was appointed CFO on 2 February 2024 and her base pay was set at £800,000.

Given their recent appointments, neither executive director received an increase in respect of 2024 as part of the annual salary review.

Benefits

Executive directors received car-related benefits, coverage of tax return preparation, security assistance, insurance and medical cover.

Murray Auchincloss’s taxable benefits materially decreased year-on-year due to the phasing out of transitional car-related benefits as reported in the 2023 directors’ remuneration report.

Cash allowance in lieu of pension

In line with the 2023 directors’ remuneration policy, executive directors receive a cash allowance in lieu of pension of 20% of salary. This is in line with the wider workforce in the UK.

Annual bonus

For 2024, the committee assessed performance against a bonus scorecard of measures across three categories: safety and sustainability, operations and financials. These measures were aligned with our strategy and investor proposition as set out at the beginning of the year.

2024 annual bonus scorecard and outcome

Safety and sustainability	+	Operations	+	Financials	=	Formulaic score
22.5%		0%		0%		22.5% out of 100%

Categories	Measures	Threshold (0%)	Target (50%)	Maximum (100%)	Actual	Weight	Outcome
Safety and sustainability (30% weight)	Tier 1 process safety events★	14	9	5	Actual: 3	7.5%	7.5%
	Tier 2 process safety events★	39	33	26	Actual: 35	7.5%	2.5%
	Operated carbon emissions ($MtCO_2e$)	38.2	35.5	32.8	Actual: 33.7[a]	15%	12.5%
Operations (20% weight)	bp-operated reliability★ and availability★	95.1%	95.9%	96.7%	Actual: 94.7%	10%	0%
	Transition growth★ engine adjusted EBITDA % growth (vs. 2023)	50%	100%	150%	Actual: Below threshold	10%	0%
Financials (50% weight)	Modified free cash flow★ ($bn)	13.2	14.7	16.2	Actual: 12.5	25%	0%
	Adjusted EBITDA★ ($bn)	39.4	40.9	42.4	Actual: 38.0	25%	0%
	Formulaic outcome (out of 100%)						**22.5%**

Formulaic scorecard outcome	Application of framework on fatalities	Remuneration committee judgement	
22.5% out of 100%	**No reduction** (see **page 98**)	**No adjustment**	**22.5% out of 100%**

a Operated carbon emissions for bonus calculation purposes (33.7$MtCO_2e$) slightly differs from the figure reported elsewhere in the *bp Annual Report and Form 20-F 2024* (33.6$MtCO_2e$) due to the timing of the committee's bonus outcome decision.

Summary of performance

Safety performance, as measured by tier 1 and 2 process safety events★, was strong with a mechanical outcome achieving between target and maximum performance. The number of tier 1 events is less than the prior year, with 3 events in total for 2024 (9 in 2023). This is our lowest recorded number on record and continues the downward trend seen in recent years. For tier 2 events, there was an increase compared to the same period last year, with 35 events in total for 2024 (30 in 2023).

Sustainability performance was previously assessed against sustainable emissions reductions (SER). bp transitioned to use operated carbon emissions from 2024, as it is a more holistic and inclusive measure that represents the full breadth of possible operational movements and is better suited to driving ownership and delivery across the business.

For 2024, operated carbon emissions of 33.7MtCO_2e achieved an outcome between target and maximum and is reflective of our strong progress against net zero operations milestones. The most significant reductions in the year came from flaring reductions and increased reliability in the Azerbaijan, Georgia and Türkiye region and efficient project start-ups.

Emission reduction projects totalling 0.42MtCO_2e implemented by our business in 2024 included: our Gelsenkirchen refinery replaced imported steam from a coal-fired power plant with steam produced in our own gas-fired boilers; bpx energy's central distribution projects, Karnes and Bingo, which enabled decommissioning of legacy natural gas-driven equipment; and restoration of cooling water infrastructure at Cherry Point to reliably meet refinery needs and improve the efficiency of compressor operations.

Further detail on safety and sustainability performance over the year is provided in the safety and sustainability committee (S&SC) report on **page 80**.

Reliability and availability is a combined measure of bp-operated refining availability★ and bp-operated plant reliability★ with a performance outcome of 94.7% – achieving a nil outcome. Plant reliability strengthened year-on-year to 95.2% (95.0% in 2023). However, refining availability was impacted by the Whiting power outage in Q1 2024 and was below threshold at 94.3%.

Transition growth★ engine adjusted EBITDA★ (% growth) was introduced as a more holistic measure focused on transition growth engine financial delivery over the year. The measure is assessed based on annual growth against a 2023 baseline and has achieved a nil vesting outcome. This was primarily driven by lower than expected delivery in bioenergy, convenience and power trading.

Financial performance, as measured by **modified free cash flow★ and adjusted EBITDA**, was below target. bp generated modified free cash flow of $12.5 billion and adjusted EBITDA of $38.0 billion, which resulted in a nil outcome for both measures. Our targets are environment-adjusted at year-end and the revised targets for modified free cash flow and adjusted EBITDA were $14.7 billion and $40.9 billion respectively.

Overall outcome

The formulaic score for the 2024 annual bonus was 22.5% of maximum.

The committee considered bp's framework on fatalities when reflecting on the formulaic outcome. Sadly, there was one fatality during the year within our recently acquired biofuels business. Full details on the application of the framework have been provided on **page 98**.

Having considered the above, alongside a holistic review of performance, the committee determined that no discretion would be applied to the formulaic outcome for executive directors.

Approach to deferral

In relation to the policy on deferral requirements, the committee reviewed the executive directors' shareholding during the year to assess if the minimum shareholding requirement had been met.

As at 14 February 2025, the CEO's shareholding represented 6.1x salary. This is above the minimum shareholding requirement for the CEO of 5x salary and his 2024 award will therefore be subject to a deferral rate of 33%. While the CFO has made strong progress towards her minimum shareholding requirement since her appointment last year, her shareholding represented 2.6x salary on 14 February 2025. This is below her requirement of 4.5x of salary and her 2024 award will therefore be subject to a deferral rate of 50%.

bp's framework on fatalities

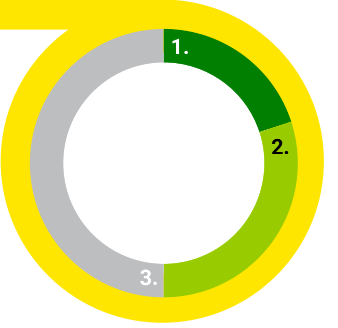
We are working towards our goal of eliminating workplace fatalities. We have implemented a new framework on fatalities. This framework, developed in consultation with shareholders and the safety and sustainability committee, links safety performance directly to the bonus scorecard.

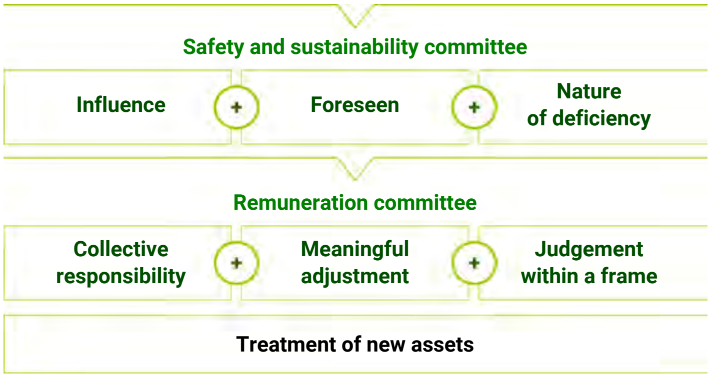
Full details of our framework on fatalities can be found in the 2023 directors' remuneration report.

bp.com/investors

Framework on fatalities

- 1. Operations (20%)
- 2. Safety and sustainability (30%)
- 3. Financial (50%)





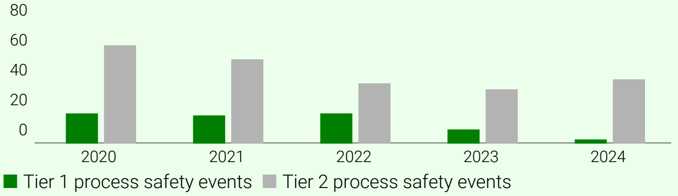
What happened during the year?

Our goal is eliminating fatalities, life-changing injuries and tier 1 process safety events.

Safety performance in 2024

During the year, we made good progress in reducing the number of tier 1 events with our lowest recorded number on record – continuing the downward trend we have seen in recent years. For tier 2 events, there was an increase compared to 2023.

Process safety events over past five years



Tier 1 process safety events   Tier 2 process safety events

This result is reflective of our efforts to improve process safety at bp.

However, this positive performance was overshadowed by the sad news of a fatality in our newly acquired biofuels business (acquired on 1 October 2024) during the year. The incident occurred in mid-October 2024 in Brazil during maintenance activities. While there were no other fatalities during 2024, there were four life-changing injuries. We are taking action to learn from these incidents to help us make further improvements from a personal safety perspective.

How was the framework applied?

The committee consulted the framework in determining the impact of the individual fatality on the 2024 bonus outcome.

Treatment of new assets

The framework allows for major acquisitions to be excluded for an initial period to enable the embedding of bp's safety culture, operating systems and practices.

While a fatality in an excluded new asset will not impact the group bonus score during this transition period, there will be consideration of safety performance within this business during the year – with any adjustments being made locally.

Biofuels incident

In September 2024, prior to the completion of the acquisition, the committee determined that the biofuels business should be excluded for three bonus performance years (i.e. up to the 2026 performance year) for bp employees. This is reflective of the complexity of the business, with over 8,800 employees and 5,600 contractors operating in 11 mills across Brazil.

The acquisition completed on 1 October 2024. From this date, bp had direct operational accountability and was able to start the process of onboarding our Operating Management System (OMS)★. The fatality occurred mid-October and therefore within the exclusion period for the group scorecard.

What was the outcome?

In line with our framework, the committee determined that applying a discretionary adjustment to the formulaic outcome on group-wide bp staff for the fatality in the newly acquired biofuels business would not be appropriate. The incident is, however, expected to have a material impact on local bonus outcomes – with final determinations being made after the business' year-end in March.

No adjustment

resulting in a final bonus score of 22.5% for executive directors.

2022-24 performance share plan scorecard and outcome

2022-24 performance shares were granted under the executive directors' incentive plan (EDIP). The scorecard for this cycle consists of relative total shareholder return (rTSR) (20% weighting), return on average capital employed (ROACE★) (20% weighting), adjusted EBIDA per share CAGR★ (20% weighting) and strategic progress (40% weighting).

2022-24 performance share plan scorecard (audited)

rTSR		ROACE		Adjusted EBIDA per share CAGR		Strategic progress		Formulaic score
0%	+	20%	+	20%	+	26.5%	=	66.5% out of 100%

Categories	Measures	Threshold performance	Maximum performance	Weight	Outcome
rTSR (20% weight)	rTSR	Fourth	First	20%	0%
		Actual: Sixth			
Financials (40% weight)	ROACE (average 2022-24)	13.7%	14.7%	20%	20%
			Actual: 20.9%		
	Adjusted EBIDA per share CAGR	7.7%	9.7%	20%	20%
			Actual: 11.1%		
Strategic progress (40% weight)	Deliver value through resilient hydrocarbon business	Qualitative and quantitative assessment by the committee, see **pages 100-101.**		40%	26.5%
	Demonstrate track record, scale and value in low carbon energy				
	Accelerate growth in convenience and mobility				
	Formulaic outcome (out of 100%)				**66.5%**

Formulaic vesting	Underpin	Final vesting after committee judgement
Formulaic vesting **66.5% out of 100%**	Underpin: Committee review of absolute shareholder returns, long-term safety and environmental performance, low carbon and climate change considerations. **No adjustment**	Final vesting after committee judgement **66.5% out of 100%**

Relative TSR

During the performance period, bp's rTSR performance placed it sixth out of eight in the comparator group which resulted in nil vesting.

Financials

Performance for ROACE and adjusted EBIDA per share CAGR were both strong, at 20.9% and 11.1% respectively over the period, and resulted in maximum vesting of these measures.

As part of the review of outcomes, the committee considers the impact of the external environment with respect to ROACE outcomes, and in respect of adjusted EBIDA per share CAGR the committee reviews share buyback activity outside of plan during the performance period. It determined that, in line with past practice, no further adjustments should be made to either of these elements for the 2022-24 cycle.

★ See glossary on **page 351**

Strategic progress

Overview of strategic progress (2022-24)

Performance of this measure has been challenging to assess as it spans a three-year period that has seen significant change. Our strategy has continued to evolve and update and the criteria we set back at the start of the performance period (2022) to judge progress do not fully reflect current expectations. Alongside assessment against three key pillars (established in 2022), the committee have also taken a broader review of the shareholder experience over the performance period. Further, there has been consideration of mid-cycle changes we have experienced during the performance period, such as bp's updated transition strategy in February 2023 and the key strategic initiatives during 2024 which have laid our foundation for growth. In summary:

- **Resilient hydrocarbons:** Performed well across the board, with strong production delivery, plant reliability★ and unit costs. This was offset by operational challenges during the period which primarily impacted refining availability★. Ultimately, financial performance was strong against this pillar.
- **Low carbon energy:** Progress was mixed with a number of key initiatives completed as management adapted to our evolving strategy and tough market conditions.
- **Convenience and mobility:** bp performed well across our suite of volume measures, but a very challenging market meant financial delivery was lower than expected.

Overall performance: During the period, bp has achieved a number of strategic milestones – particularly in the last year of the performance period – and is well positioned to drive future growth.

1. Deliver value through a resilient hydrocarbon business KPIs (as set in 2022)

Unit production cost On track

Unit production costs remain on track against 2025 target of $6.00/boe, with an average of $6.01/boe over the three-year period.

2022	2023	2024	2025 target
$6.1/boe	$5.8/boe	$6.2/boe	**$6.0/boe**

Plant reliability On track

Average delivery over performance on track to meet the 2025 target of 96.0%. Focus remains on production management and delivering higher reliability targets.

2022	2023	2024	2025 target
96.0%	95.0%	95.2%	**96.0%**

Refining availability Improvement required

For 2024, performance was affected by the plant-wide power outage at Whiting. Excluding this event would have meant we were on track to reach target.

2022	2023	2024	2025 target
94.5%	96.1%	94.3%	**96.0%**

Overview

- Continued high grading of portfolio to drive higher margins. Completed joint venture conversions in Angola and Iraq, extended Indonesia production-sharing contract, completed 10 major projects and increased bpx production by 33%.
- Production on track with 2024 progress broadly on plan. 2022 and 2023 production were +2% vs. plan.
- The hydrocarbon business performed well against adjusted EBITDA and free cash flow measures – with actual performance ahead of expectations for both measures.

2. Demonstrate track record, scale and value in low carbon energy KPIs (as set in 2022)

Developed renewables to FID★ Improvement required

To the end of 2024, bp has delivered 8.2GW to FID (bp net). The main contributions have come from Lightsource bp and the 100% bp solar pipeline (Cygnus). The solar sector has been significantly impacted by increased interest rates, inflation and supply issues. Offshore wind has been materially impacted by supply chain inflation across all sub-sectors including turbines and vessels.

While good progress has been made, 2025 targets were challenging and performance under this measure is tracking behind expectations.

2022	2023	2024	2025 target
5.8GW	6.2GW	8.2GW	**20GW**

Renewables pipeline★ Strong progress

Over the three-year period, there has been substantial growth in our renewables pipeline. This has largely been driven by Lightsource bp and success in our bids within offshore wind.

In hydrogen, projects portfolio has been prioritised based on returns and feasibility, with the business achieving four recent FIDs.

2022	2023	2024
37.2GW	58.3GW	60.6GW

Overview

- The low carbon energy pillar has materially transformed since the setting of targets in 2022. From a period of volume-driven origination, bp has moved into a stage of consolidation, portfolio reset and focus across all businesses within a more constrained capital frame.
- Low carbon energy delivered lower adjusted EBITDA than expected over the period. This was attributable to the challenging solar market in the US in 2023 and rapid ramp-up in hydrogen and offshore wind.

3. Accelerate growth in convenience and mobility KPIs (as set in 2022)

Convenience margin growth★ On track

In 2023, the acquisition of TravelCenters of America was completed. This is expected to substantially grow bp's global convenience gross margin★ in coming years and bring growth opportunities – as seen by strong performance in 2024 (17% vs. 2025 target of 10%).

2022	2023[a]	2024	2025 target[a]
9%	9%	17%	**10%**

Strategic convenience sites★ Ahead

We remain on track to meet our 2025 target of 3,000 sites. This has been supported by the full ownership of *Thorntons* in 2021 and acquisition of TravelCenters of America.

2022	2023	2024	2025 target
2,400	2,850	2,950	**3,000**

Castrol performance (revenue) On track

Castrol has continued to demonstrate year-on-year earnings and volume growth, as well as completing a number of strategic initiatives, including a new strategic partnership with Audi in Formula 1 and diversifying into battery-swapping ecosystems.

2022	2023	2024	2025 target[b]
$6.9bn	$7.0bn	$6.9bn	**n/a**

Overview

- Performance across the convenience and mobility pillar has been strong versus the targets we set at the beginning of 2022. However, market conditions have been challenging which has impacted financial delivery, leading to mixed performance.
- During the period, financial performance was impacted by cost inflation, challenging market environments and prolonged impact of COVID-19 on businesses such as *Castrol*.

a 2023 excludes the acquisition of TravelCenters of America. The 2025 target represents the wider aim of achieving ~10% CAGR by 2030 (as set in 2023).
b The *Castrol* performance KPI was retired during the performance period and performance has therefore been considered 'in the round' including reference to earnings and volume growth.

Overall assessment

In progressing our strategic agenda, we have not only reviewed performance against the three strategic pillars of our previous strategy but also key strategic highlights, many of which culminated in the last year of the performance period, including:

Low carbon energy

- Completed transactions for 100% ownership of bp Bunge Bioenergia and Lightsource bp.
- New joint ventures including JERA Nex bp with JERA Co., Inc.

Resilient hydrocarbons

- Sanctioning 10 higher value major projects – including Kaskida and Tangguh UCC.
- Agreeing new access to resources in regions we know well, like the Middle East and India, where we are now technical services providers for the country's largest offshore oil and gas field.
- Gas is now flowing at our Greater Tortue Ahmeyim (GTA) project off the coast of West Africa. Once fully commissioned, it is set to produce 2.4 million tonnes of LNG annually.

Convenience and mobility

- In 2024, *Castrol* grew underlying earnings by 14% and has demonstrated six consecutive quarters of year-on-year underlying earnings growth.

Financial

- Delivery of structural cost reductions of around $0.8 billion in 2024. This more than offsets significant increases from inflation, foreign exchange and costs associated with growing the business. Overall, we reduced our underlying operating expenditure by $300 million towards our target of $4-5 billion of structural cost reductions by end-2027.

Resulting score

Accounting for delivery (volume and value), bp's evolving strategic context and the above strategic milestones, the committee determined performance against this measure should result in 66% of maximum vesting (2021-23: 75% of maximum).

Strategic progress remains a key component of our long-term scorecard for outstanding awards and the committee will continue to apply judgement within the context of broader strategic delivery.

Other vesting considerations

Along with the results from the scorecard measures, the committee considers an 'underpin' to the formulaic outcome in order to determine the final vesting percentage. The underpin broadens our performance assessment, allowing us to consider vesting outcomes with overall alignment to absolute shareholder returns, environmental and safety factors and progress in matters relating to low carbon and climate change. Where relevant, we take input from the safety and sustainability committee and the audit committee to deepen and enhance our perspective.

Having considered the above, the committee concluded that the vesting outcome was suitably reflective of the company's underlying performance and the experience of shareholders overall. The committee agreed it was not necessary to apply discretion to the formulaic outcome and approved vesting of 66.5% for the 2022-24 EDIP award. This decision yields the outcome shown in the table below for the CEO. The scorecard detail is shown on **page 99**.

2022-24 performance share plan outcome (audited)

	Shares awarded	Unvested shares following application of performance factor	Value of unvested shares following application of performance factor	Impact of share price change[a]
Murray Auchincloss	937,500	704,790	£2,749,950	£-317,649
Kate Thomson[b]	89,300	147,391	£575,090	£15,815

a These values reflect the impact of the change in share price since grant related to the number of shares which are no longer subject to performance conditions, including dividend equivalents accrued at 14 February 2025. The face values of these awards were calculated using a market price of ordinary shares at close on the dates of award, as follows: £4.35 on 26 May 2022 and £3.79 on 17 June 2022 respectively. The average share price during Q4 2024 was £3.90. The amount reported as 2024 income in the single figure is therefore £2.750 million for Murray and £0.575 million for Kate.
b Kate Thomson's award was made under the below board performance share plan where grants are made at 50% of maximum, rather than at 100% of maximum as for the EDIP. For 2022-24, performance share awards below board had a different scorecard to executive directors, which resulted in an outcome of 73% of maximum.

Policy implementation for 2025

The current remuneration policy was approved by shareholders at the 2023 annual general meeting on 27 April 2023. The full policy is displayed on the company's website at **bp.com/remuneration**. The table below shows how the remuneration policy will be implemented in 2025, alongside a summary of key features.

Element	Policy feature	2025 implementation
Salary	To provide fixed remuneration to reflect the scale and complexity of both the business and the role, and to be competitive with the external market. When setting salaries, the committee considers practice in other energy majors as well as European and US companies of a similar size, geographic spread and business dynamic to bp. Percentage increases for executive directors will not exceed that for the wider workforce, other than in specific circumstances identified by the committee (e.g. in response to a substantial change in responsibilities). Salaries are normally set in the home currency of the executive director and are reviewed annually. They may be reviewed at other times where appropriate.	• Murray Auchincloss's salary will increase by 4%, in line with the wider workforce, to £1,508,000 following the 2025 AGM. • Kate Thomson's salary will increase by 8% to £864,000 following the 2025 AGM. This is to reflect her development in role and leadership for the Finance function since appointment in February 2024. • The budgeted increase to our UK salaried staff effective from 1 April 2025, our annual salary review date, will be 4%.
Pensions and benefits	Executive directors normally participate in the company retirement plans that operate in their home country. New appointees from within the bp group retain previously accrued benefits related to service prior to appointment as executive director. For their service as a director, cash allowance in lieu of pension will be up to 20% of base salary. For future appointments, the committee will carefully review any retirement benefits to be granted to a new director, taking account of retirement policies across the wider group and any arrangements currently in place.	• Murray and Kate's cash allowance in lieu of pension is 20% of base pay (in line with the wider workforce). • Prior to their appointment as executive directors, Murray received a US deferred pension and Kate received a UK deferred pension. No further pension is accrued under either plan. • Benefits will remain unchanged for 2025 and include car-related provisions, security assistance, insurance and medical cover.
Annual bonus	Bonus is measured against an annual scorecard. The committee holds discretion to choose the specific measures and the relative weightings adopted in the annual scorecard, to reflect the annual plan as agreed with the board. Numeric scales are set for each measure, to score outcomes relative to targets. A scorecard outcome of 1.0 reflects the target outcome and 2.0 is the maximum outcome. Target bonus is 112.5% of salary, and maximum bonus is 225% of salary. Half the bonus is paid in cash, and half is deferred into bp shares for three years up until the 'minimum shareholding requirement' is met. At this point, 67% is paid in cash and 33% is paid in bp shares. Dividends (or equivalents, including the value of any reinvestment) may accrue in respect of any deferred shares. Awards are subject to operationally robust and effective malus and clawback provisions as described below.	• For 2025, our scorecard will be assessed against the following categories: safety and sustainability (30%) and financials and operations (70%). • We intend to make the following changes to performance measures for 2025: – Introduce a structural cost reduction measure that is aligned with our forward-looking commitments. This replaces the earnings measures in the scorecard. – Replace the measure focused on transition growth★ engines with increased weighting on modified free cash flow★ and bp-operated reliability★ and availability★. • See **page 104** for further details on measures for the 2025 annual bonus. • The framework on fatalities, which helps guide decisions on adjustments to the bonus outcome in relation to fatalities, will continue to be applied. Further detail has been provided on **page 98.**

Element	Policy feature	2025 implementation
Performance shares	Performance shares are granted with a three-year performance period, measured against a scorecard. The committee holds discretion to choose the specific measures and the relative weightings adopted in the scorecard, to ensure they are focused on the near-term priorities for delivering the bp strategy in the interests of shareholders. Annual grants are 500% of salary for the CEO, and 450% of salary for any other executive director. Awards will vest in proportion to the outcomes measured through the performance scorecard, subject to any adjustment by the committee, and will be subject to a three-year post-vesting holding period. Awards are subject to operationally robust and effective malus and clawback provisions as described below.	• For our 2025-27 cycle, the scorecard categories will remain unchanged from the 2024-26 cycle and will be assessed against the following: rTSR (25%), financials (40%), environmental, social and governance (15%) and strategic progress (20%). • The only change being made to the chosen performance measures for the 2025-27 cycle is the introduction of an adjusted free cash flow CAGR★ measure. This replaces adjusted EBIDA CAGR per share★. All other measures are to remain the same. • See **page 104** for further details on measures for the 2025-27 EDIP. • The award will continue to be subject to an underpin that takes into consideration in-year safety outcomes and long-term trends in safety outcomes over the performance period. • The 2025-27 awards will be granted based on the average closing share price of each calendar day in the 90-day period ending on the date of bp's 2025 AGM.
Shareholding requirement	CEO to build a shareholding of at least five times salary, and other executive directors four and a half times salary, within five years of appointment. Executive directors are required to maintain that level for at least two years post-employment.	• Murray's shareholding has reached 6.1 times salary, above his minimum shareholding requirement of 5 times of salary. • Kate's shareholding has reached 2.6 times salary. Over the next four years, to 2029, Kate will work towards reaching her minimum shareholding requirement of 4.5 times of salary.
Malus and clawback	Operationally robust and effective malus and clawback provisions apply to our incentive awards. Malus provisions may be applied where there is: a material safety or environmental failure; an incorrect award outcome due to miscalculation or incorrect information; a restatement due to financial reporting failure or misstatement of audited results; material misconduct; or other exceptional circumstances that the committee considers similar in nature. Clawback provisions may apply where there is: an incorrect outcome due to miscalculation or incorrect information; a restatement due to financial reporting failure or misstatement of audited results; or material misconduct.	
Committee flexibility	The committee has discretion to adjust performance measures and weightings, and to revise the peer group for the rTSR measure. This discretion allows appropriate realignment, throughout the policy term, for changes in the annual plan and for the anticipated evolution of the low carbon business environment. The committee also holds discretion in determining the outcomes for annual bonus and performance shares, allowing them to take broad views on alignment with shareholder experience, environmental, societal and other relevant considerations e.g. portfolio changes.	

★ See glossary on **page 351**

Measures for the 2025 annual bonus

Provided below is a summary of the performance measures we have chosen for the 2025 annual bonus plan scorecard. The targets are commercially sensitive and will be disclosed in the 2025 directors' remuneration report.

We are replacing our earnings (adjusted EBITDA★) measure with structural cost reductions★ to better align with the financial priorities set out in the Capital Markets Update announcement in February 2025. This measure will be assessed against a 2023 baseline and is positioned to capture sustainable cost reductions that can be maintained beyond 2027.

In line with our reset strategy, the measure on transition growth★ engines has been removed from the scorecard for 2025. In the interest of simplification, the committee determined that the scorecard should be kept to five measures. The weighting of modified free cash flow★ and bp-operated reliability★ and availability★ will be increased – from 25% to 30% and 10% to 15% respectively. This change mirrors our focus on cash generation and driving strong operations for 2025.

Importantly, the framework on fatalities will continue to apply to the 2025 annual bonus and will be considered at year-end if a fatality occurs during the year. See **page 98** for further detail on its application in 2024.

Safety and sustainability

30%

Measures include	Weighting
Tier 1 and tier 2 process safety events★ (measured separately)	15%
Operated carbon emissions	15%

Financials and operations

70%

Measures include	Weighting
Modified free cash flow	30%
Structural cost reduction	25%
bp-operated reliability and availability	15%

Measures for the 2025-27 performance shares (EDIP)

Provided below is a summary of the measures we have chosen for the 2025-27 performance share plan. The four categories remain unchanged from the prior year and there has been no change to respective weightings.

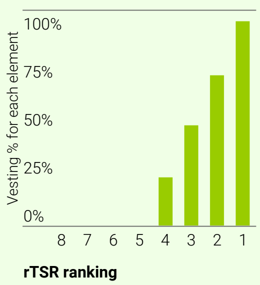
Under our financials category, we are proposing to introduce an adjusted free cash flow CAGR measure (20% weight) and to modify the ROACE measure to align with our strategic commitments. The committee reflected on the dual focus of free cash flow in the short and long-term incentive scorecards and determined it was appropriate given our strategic focus on cash generation – with adjusted free cash flow being a primary target in bp's reset strategy. The two cash measures; modified free cash flow and adjusted free cash flow CAGR are different, with the former covering a holistic view of in-year cash generation (including working capital and proceeds) and the latter representing underlying free cash flow growth, removing more volatile items, in line with our external targets. The ROACE measure now fully aligns with our external targets with measurement at the end of 2027.

For strategic progress, the measure will remain subject to the committee's judgement at the end of the three-year period. The judgement of performance will take into account progress against the financial targets set under our reset strategy – including reference to measures such as divestments, net debt★ and structural cost reductions. This will be alongside our holistic review of progress against our strategy, to ensure that outcomes are aligned with the shareholder experience.

rTSR

25%

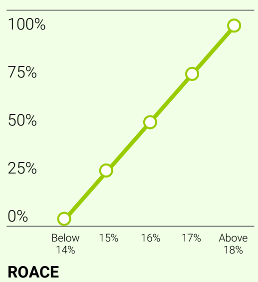
Peer group of seven companies: Chevron, Eni, Equinor, ExxonMobil, Repsol, Shell and TotalEnergies (and bp)[a]



Financials

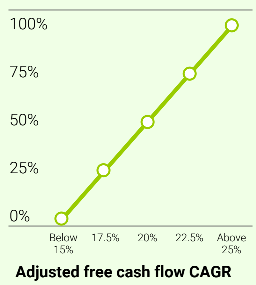
20%

ROACE[b]★



20%

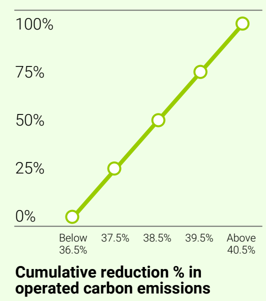
Adjusted free cash flow CAGR[c]



Environmental, social and governance

15%

Cumulative reduction % in operated carbon emissions[d]



Strategic progress

20%

Holistic review of progress against strategy set out in the Capital Markets Update in February 2025.

Subject to the remuneration committee's judgement.

Consideration may be given to the following measures:

- Divestments
- Net debt
- Structural cost reduction

- Underpin will take into account safety outcomes prior to determining final vesting percentage.
- Remuneration committee discretion will reflect shareholder experience, environment, societal and other inputs.
- Robust malus and clawback may apply in certain circumstances.

a Nil vesting for fifth place or lower.
b Based on ROACE at the end of the three-year period. Targets will be adjusted for the environment.
c Annualised growth rate of adjusted free cash flow vs. 2024 baseline. Targets will be adjusted for the environment.
d Scope 1 and 2 GHG emission reductions vs. 2019 baseline from operated carbon emissions including portfolio change.

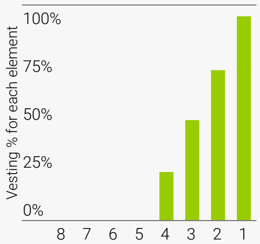
Provided below is an overview of the performance measures and weightings of each of our in-flight awards.

Measures for 2023-25 performance shares

rTSR

20%

Peer group of seven companies: Chevron, Eni, Equinor, ExxonMobil, Repsol, Shell and TotalEnergies (and bp)

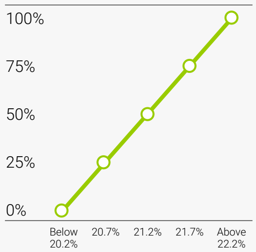


rTSR ranking

Financials

20%

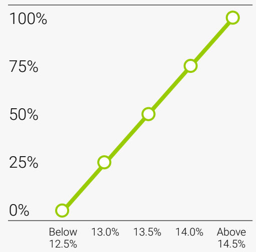
ROACE (average 2023-25)



ROACE

20%

Adjusted EBIDA per share CAGR

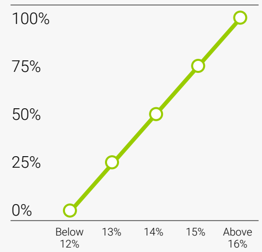


Adjusted EBIDA per share CAGR

Environmental, social and governance

15%

Net zero across entire bp operations by 2050 (Scope 1 + 2)



Net zero

Strategic progress[a]

25%

Weighting of measures subject to remuneration committee judgement:

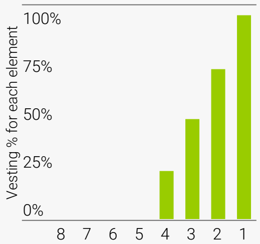
- Deliver value through a resilient hydrocarbon business.
- Demonstrate track record, scale and value in low carbon energy.
- Accelerate growth in convenience and mobility.

Measures for 2024-26 performance shares

rTSR

25%

Peer group of seven companies: Chevron, Eni, Equinor, ExxonMobil, Repsol, Shell and TotalEnergies (and bp)

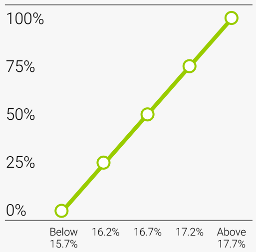


rTSR ranking

Financials

20%

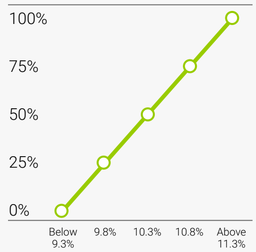
ROACE (average 2024-26)



ROACE

20%

Adjusted EBIDA per share CAGR

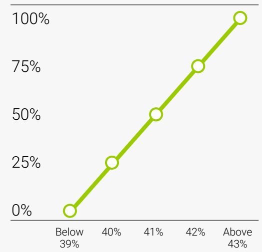


Adjusted EBIDA per share CAGR

Environmental, social and governance

15%

Cumulative reduction % in operated carbon emissions



Cumulative reduction % in operated carbon emissions

Strategic progress

20%

Subject to remuneration committee judgement.

Following the Capital Markets Update in February 2025, judgement of strategic progress will adopt the same frame as set out for the 2025-27 cycle.

a Performance against the three pillars will be reviewed and scored in the context of the strategic changes announced in 2023 and the Capital Markets Update in February 2025.

★ See glossary on **page 351**

Directors' remuneration report continued

Stewardship and executive director interests

We believe that our executive directors should build and maintain a material interest in the company. Our policy therefore requires the CEO and CFO to build a personal shareholding of five times and four and a half times, respectively, their salary within five years of their appointment. They are expected to maintain this level of personal shareholdings for two years post-employment.

Directors' shareholdings and aggregated interests (audited)

The table below details the personal shareholdings of each executive director. These figures include all beneficial and non-beneficial ownership of shares of bp (or calculated equivalents) that have been disclosed to the company. Murray Auchincloss has met the minimum shareholding requirement (MSR) under the policy. Kate Thomson is expected to satisfy the policy requirement that applies five years from her date of appointment, 2 February 2024. The committee has reviewed and confirmed this position and will continue to monitor compliance with this policy.

		Aggregated interests at 14 Feb 2025, all plans						
		Unvested awards not subject to performance conditions		Unvested awards subject to performance conditions				
	Directors' ordinary shares or equivalents at 14 Feb 2025	Shares[a]	Options	Shares	Options	Current shareholding for MSR[b]	Value of current shareholding[c], £	Multiple of salary achieved
Murray Auchincloss[d]	1,319,688	1,387,250	152,301	2,200,575	—	1,888,476	8,838,068	6.1
Kate Thomson	230,357	350,322	500,000	808,846	—	437,799	2,048,899	2.6

a Includes deferred and restricted shares, and performance shares prior to application of the performance factor.
b Includes ordinary shares or equivalents and unvested awards not subject to performance conditions on a net-of-tax basis, excluding dividends.
c Based on ordinary share price at 14 February 2025 of £4.68.
d Includes interests of a person closely associated with Murray Auchincloss.

Executive directors have additional interests in performance and deferred bonus shares. These interests are shown in aggregate in the table above, and interests awarded during 2024 in the tables below. For performance shares, the figures reflect maximum possible vesting levels (excluding the addition of reinvested dividends) even though the actual number of shares that vest will depend on the extent to which performance conditions are satisfied.

Performance and deferred shares (audited)

	Award	Number of shares granted	Grant date	Face value of the award[a], £	Vesting date
Murray Auchincloss	2024-26 EDIP Performance[b]	1,482,617	7 May 2024	7,472,390	May 2027
Kate Thomson		736,196	7 May 2024	3,710,428	May 2027
Murray Auchincloss	2024 EDIP Deferred[c]	124,128	7 May 2024	625,605	May 2027

a The face value of awards granted during 2024 have been calculated using a market price of ordinary shares at close on the date of award, as follows: £5.04 on 7 May 2024. In calculating the number of ordinary shares over which these awards were made, the committee applied the average price of ordinary shares over the 90 calendar days up to and including the annual general meeting that was held on 25 April 2024 (£4.89).
b Performance conditions are measured 15% on cumulative reduction % in operated carbon emissions, 25% on TSR relative to Chevron, ExxonMobil, Shell, TotalEnergies, Eni, Equinor and Repsol over three years, 20% ROACE averaged over the performance period, 20% adjusted EBIDA per share CAGR measured vs. year ended June 2020 and 20% strategic progress assessed over the performance period. Minimum vesting under this award (below threshold performance) is 0%. At threshold performance, vesting would be 6.25% of maximum.
Since 2010, vesting of the performance shares under EDIP has been subject to a safety underpin. If the committee assesses that there has been a material deterioration in safety performance, or there have been major incidents, either of which reveal underlying weaknesses in safety management, then it may conclude that shares should vest only in part, or not at all. In reaching its conclusion, the committee obtains advice from the S&SC.
The performance period is 1 January 2024 to 31 December 2026.
The 2025 performance share awards under EDIP are expected to be made following the conclusion of the 2025 annual general meeting.
c There is no identified minimum vesting threshold level. The 2024 bonus year deferred share awards under EDIP are expected to be made following the conclusion of the 2025 annual general meeting.

Directors and leadership team

No directors or other leadership team members own more than 1% of the shares in issue. At 14 February 2025, our directors and leadership team members collectively held interests of 6,288,180 ordinary shares or their calculated equivalents, 4,339,104 restricted share units (with or without conditions) or their calculated equivalents, 7,399,346 performance shares or their calculated equivalents and 6,174,714 options over ordinary shares or their calculated equivalents, under bp group share option schemes.

Chair and non-executive director outcomes and interests

Fee structure

The table below shows the fee structure for the chair and non-executive directors (NEDs). The chair is not eligible for committee chairship and membership fees. The senior independent director (SID) is eligible for committee chairship and membership fees, and their fee includes the board member fee. Committee chairs do not receive a membership fee for the committee they chair.

Under the 2023 policy, fee levels are reviewed annually alongside wider workforce salaries and any changes are put into effect from 1 April. Taking all factors into consideration, for 2025 the board agreed to implement a 4% increase to the base fee for NEDs and for the SID, aligned with the salary increase budget for the UK wider workforce. Determination of the fees payable to the chair falls to the remuneration committee, which agreed to align the percentage increase of the chair's fee with the other NEDs. Following board and remuneration committee approval, the remuneration arrangements for the chair and NEDs will be adjusted with effect from 1 April 2025.

£ thousand per annum	2025/26 fees	2024/25 fees
Chair	**888**	854
Senior independent director	**181.5**	174.5
Board member	**130.5**	125.5
Audit, remuneration and safety and sustainability committees chairship	**35**	35
Committee membership	**20**	20

2024 remuneration (audited)

The table below shows the fees paid and applicable benefits. Benefits include travel and other expenses relating to the attendance at board and other meetings. Under the terms of his engagement with the company, Helge Lund has the use of a fully maintained office for company business, a car and driver, and security advice in London. Benefits values have been grossed up using a tax rate of 45%, where relevant, as an estimation of tax due.

	Fees		Benefits		Total	
£ thousand	2024	2023	2024	2023	2024	2023
Dame Amanda Blanc	**198**	159	**1**	2	**198**	161
Pamela Daley	**164**	159	**17**	67	**181**	226
Helge Lund (chair)	**845**	809	**38**	66	**882**	875
Melody Meyer[a]	**182**	184	**9**	29	**191**	213
Tushar Morzaria	**189**	174	**1**	3	**190**	177
Hina Nagarajan[b]	**157**	116	**17**	32	**174**	148
Satish Pai[b]	**144**	116	**5**	39	**149**	155
Paula Rosput Reynolds[b]	**72**	220	**6**	20	**78**	240
Karen Richardson[c]	**169**	178	**16**	18	**185**	196
Sir John Sawers[b]	**57**	174	**12**	7	**68**	181
Dr Johannes Teyssen[a]	**160**	149	**5**	15	**165**	164

a Fee includes £10,000 p.a. for being a member of the bp geopolitical advisory council. The fee for this role ceased effective 1 April 2024.
b Hina Nagarajan and Satish Pai were appointed on 1 March 2023. Paula Rosput Reynolds and Sir John Sawers retired on 25 April 2024.
c Fee includes £25,000 p.a. for chairing the bp digital advisory council.

Chair and non-executive directors' interests (audited)

The figures below include all the interests of the chair and each NED of the company in shares of bp (or calculated equivalents) that have been disclosed to bp. Our 2023 policy encourages NEDs to establish a holding in bp shares of the equivalent value of one year's base fee during their tenure.

	Ordinary shares or equivalents[a]					
	At 1 Jan 2024	At 31 Dec 2024	Changes to 14 Feb 2025	At 14 Feb 2025	Value of current shareholding[b]	% of guideline achieved
Dame Amanda Blanc	23,500	23,500	–	23,500	£109,980	88%
Pamela Daley	40,332	40,332	–	40,332	$235,270	147%
Helge Lund (chair)	600,000	600,000	–	600,000	£2,808,000	329%
Melody Meyer	20,646	38,646	–	38,646	$225,435	141%
Tushar Morzaria	71,972	71,972	–	71,972	£336,829	268%
Hina Nagarajan	10,000	25,944	–	25,944	£121,418	97%
Satish Pai	12,000	33,000	–	33,000	$192,500	120%
Paula Rosput Reynolds[c]	78,378	–	–	–	–	–
Karen Richardson	29,316	35,316	–	35,316	$206,010	128%
Sir John Sawers[c]	24,242	–	–	–	–	–
Dr Johannes Teyssen	35,000	35,000	–	35,000	£163,800	131%

a Includes interests of persons closely associated.
b Based on ordinary share and ADS prices at 14 February 2025 of £4.68 and $35.00. Where a US$ value is provided these shares are held as ADSs.
c Paula Rosput Reynolds and Sir John Sawers retired on 25 April 2024.

★ See glossary on **page 351**

Past directors

Payments for loss of office (audited)

No payments were made during the financial year for loss of office, except as already disclosed in the 2023 directors' remuneration report.

Payments to past directors (audited)

No payments were made during the financial year to past directors, except as already disclosed in the 2023 directors' remuneration report.

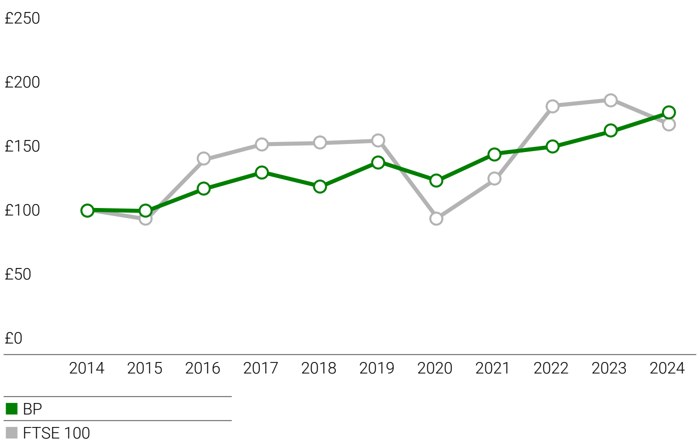
Post-employment benefits (audited)

Bob Dudley and Brian Gilvary were provided with tax return preparation support amounting to £1,779 and £11,455 respectively.

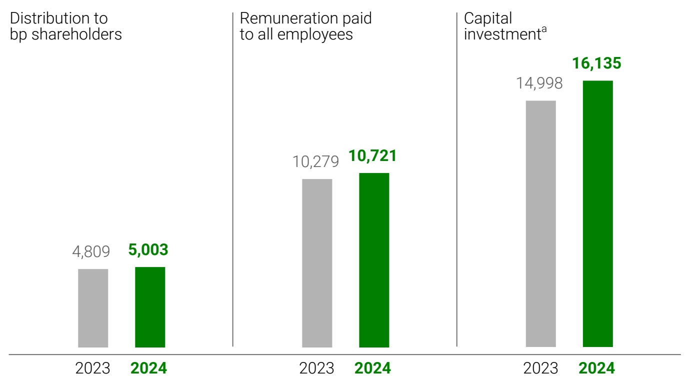
We made no other payments within the scope of the disclosure requirements to any past director of bp during 2024 (we have no de minimis threshold for such disclosures).

Other disclosures

Historical TSR performance



Relative importance of spend on pay ($ million)



a Organic capital expenditure.

The graph above shows the growth in value of hypothetical £100 investments in BP p.l.c. ordinary shares, and in the FTSE 100 index (of which bp is a constituent), over 10 years from 31 December 2014 to 31 December 2024.

History of chief executive officer remuneration

Year	Chief executive officer	Total remuneration, thousand	Annual bonus % of maximum	Performance shares % of maximum
2015	Bob Dudley	$19,376	100	74.3
2016	Bob Dudley	$11,904	61	40
2017	Bob Dudley	$15,108	71.5	70
2018	Bob Dudley	$15,253	40.5	80
2019	Bob Dudley	$13,234	67.5	71.2
2020[a]	Bob Dudley	$188	0	32.5
	Bernard Looney	£1,735	0	32.5
2021	Bernard Looney	£4,457	80.5	30
2022	Bernard Looney	£10,331	75.5	54
2023[a,b]	Bernard Looney	£1,175	n/a	n/a
	Murray Auchincloss	£5,391	79.5	75
2024[c]	**Murray Auchincloss**	**£5,356**	**22.5**	**66.5**

a 2020 and 2023 figures show remuneration for the periods of qualifying service as CEO during the respective years.
b As reported in the 2023 directors' remuneration report, Bernard Looney stepped down as CEO and from the board of directors with immediate effect on 12 September 2023 and was succeeded by Murray Auchincloss as interim CEO on the same date. In respect of 2023, Bernard Looney did not receive any variable pay awards and his single figure shown in the table above excludes the impact of malus and clawback. For Murray Auchincloss, the 2023 figure has been updated based on the actual share price used for vesting of £4.52.
c Share price has been based on the average share price over Q4 of the 2024 FY of £3.90.

Chief executive officer to employee pay ratio

Year	Method	25th percentile: pay ratio, total pay and benefits, (salary)	50th percentile: pay ratio, total pay and benefits, (salary)	75th percentile: pay ratio, total pay and benefits, (salary)
2019[a]	Option A	543:1	188:1	82:1
2020[a]	Option A	99:1	40:1	19:1
2021	Option A	208:1	87:1	35:1
2022	Option A	421:1	172:1	69:1
2023[b]	Option A	268:1	103:1	45:1
2024[c]	**Option A**	**196:1**	**74:1**	**37:1**
		£27,343	**£72,678**	**£143,202**
		(£25,304)	**(£54,106)**	**(£92,900)**

a Bob Dudley's pay has been converted from US dollars as per the ratios reported in the *bp Annual Report and Form 20-F 2020*.
b For 2023, the total single figure used to derive the CEO pay ratio is a combination of the two individuals in position of CEO during the year. In respect of the former CEO, the calculation has been based on the total single figure excluding the impact of malus and clawback in order to provide a comparison with prior years. Appropriate pro-rating of fixed and variable pay has been applied.
c Share price for the CEO share plan vesting has been based on the average share price over Q4 of the 2024 FY of £3.90.

This is our sixth year reporting the CEO pay ratio following the requirements introduced in 2018. As per the past five years, we have selected Option A as our reporting basis, being the most accurate approach available, and we confirm that no broadly applicable components of pay have been omitted. Where necessary, full-time equivalent pay has been calculated by simple engrossment of part-year values. Employee values relate to pay and benefits for the year ended 31 December 2024.

Changes in the pay ratio over time reflect the fact that CEO remuneration is more heavily weighted to variable pay, resulting in larger year-on-year swings than wider workforce pay. This is evidenced by the variability of the CEO pay ratio over the past six years. This volatility in the pay ratio reporting from year to year is expected, and illustrates one of the challenges in commenting on whether the pay differentials are appropriate. In 2024, the 50th percentile pay ratio decreased from 103:1 to 74:1. This was largely driven by the outcomes of the CEO's variable awards, with the lowest bonus outcome in the past 10 years (excluding nil bonus for 2020) and the performance share award being granted at a lower multiple of salary when he was in position as CFO.

The committee believes in performance-based remuneration. For all employees eligible to participate in the annual cash bonus plan, there is an individual uplift available each year which allows managers to nominate individuals based on their personal contributions during the year. For senior leaders, a significant portion of the remuneration package continues to be linked to performance-based reward. It is therefore the view of the committee that the remuneration frameworks we have in place for executive directors and the wider workforce are fit-for-purpose and deliver pay outcomes appropriate to the circumstances of the year, with differentials that reflect the relative contributions made at different levels of the organization.

The committee is satisfied that the median pay ratio reported this year is consistent with bp's pay policies for employees and does not constitute a reason to modify our pay programmes.

Percentage change comparisons: directors' remuneration versus employees

In the table below, values in column 'a' represent the percentage change in salary and fees; values in column 'b' represent the percentage change in taxable benefits; and values in column 'c' represent the percentage change in bonus outcomes for performance periods in respect of each financial year. For the purposes of comparison, the employee percentages shown below represent the relative change between the median full-time equivalent pay for every employee employed at BP p.l.c. at any point during the relevant financial year, and the equivalent median value for the preceding financial year. Where increases are infinite relative to the preceding year, we have shown them as 100% for illustration, where a director was appointed or retired part-way through the year we have annualized pay except for one-time items, and where comparison to the prior year is not possible we have used dashes.

	2024 vs. 2023			2023 vs. 2022			2022 vs. 2021			2021 vs. 2020			2020 vs. 2019		
Percentage change for:	a	b	c	a	b	c	a	b	c	a	b	c	a	b	c
Employees	4%	0%	-65%	6%	1%	4%	2%	1%	45%	7%	-9%	100%	0%	0%	-100%
Murray Auchincloss	43%	-61%	-60%	30%	283%	31%	7%	530%	3%	5%	5%	100%	—	—	—
Kate Thomson	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dame Amanda Blanc	24%	-72%	n/a	38%	100%	n/a	—	—	n/a	—	—	n/a	—	—	n/a
Pamela Daley	3%	-75%	n/a	2%	2%	n/a	7%	43%	n/a	4%	1385%	n/a	-15%	-92%	n/a
Helge Lund (chair)	4%	-43%	n/a	3%	78%	n/a	0%	97%	n/a	0%	-24%	n/a	0%	-74%	n/a
Melody Meyer	-1%	-68%	n/a	2%	-14%	n/a	13%	139%	n/a	-4%	283%	n/a	9%	-77%	n/a
Tushar Morzaria	9%	-73%	n/a	2%	-46%	n/a	25%	100%	n/a	5%	0%	n/a	—	—	n/a
Hina Nagarajan	13%	-46%	n/a	—	—	n/a	—	—	n/a	—	—	n/a	—	—	n/a
Satish Pai	3%	-88%	n/a	—	—	n/a	—	—	n/a	—	—	n/a	—	—	n/a
Paula Rosput Reynolds	3%	-70%	n/a	2%	-14%	n/a	16%	145%	n/a	—	228%	n/a	2%	-92%	n/a
Karen Richardson	-5%	-12%	n/a	11%	-20%	n/a	30%	96%	n/a	—	—	n/a	—	—	n/a
Sir John Sawers	3%	63%	n/a	2%	105%	n/a	17%	1%	n/a	—	1588%	n/a	—	-83%	n/a
Johannes Teyssen	7%	-68%	n/a	3%	12%	n/a	21%	65%	n/a	—	—	n/a	—	—	n/a

Directors’ remuneration report continued

Independence and advice

The board considers all committee members to be independent with no personal financial interest, other than as shareholders, in the committee’s decisions. Further detail on the activities of the committee in 2024 is set out in the remuneration committee report on **page 88**.

During 2024 Ben Mathews, who was employed by the company and reported to the chair of the board, acted as secretary to the remuneration committee.

The committee also received advice on various matters relating to the remuneration of executive directors and senior management from Kerry Dryburgh, EVP people, culture & communications and Ashok Pillai, SVP reward.

PricewaterhouseCoopers LLP (PwC) continued to provide independent advice to the committee in 2024. PwC advice included, for example, support with remuneration benchmarking and updates on market practice. PwC is a member of the Remuneration Consulting Group and, as such, operates under the code of conduct in relation to executive remuneration in the UK. The committee is satisfied that the advice received is objective and independent. The committee is comfortable that the PwC engagement partner and team who provide remuneration advice to the committee do not have connections with the company or its directors that may impair their independence.

Total fees or other charges (based on an hourly rate) for the provision of remuneration advice to the committee in 2024 (save in respect of legal advice) were £88,751 to PwC. Freshfields LLP (Freshfields) provided legal advice on specific compliance matters to the committee. PwC and Freshfields provide other advice in their respective areas to the group.

Considerations related to the UK Corporate Governance Code

When setting the 2023 policy, the committee concluded that a scorecard-based approach to setting targets and measuring outcomes helps it to engage transparently with shareholders and the wider workforce on remuneration. Thus, bp continues to operate a simple, clear structure of market-aligned salary with annual and three-year performance-based incentives. Risks are managed through careful setting of performance measures and targets and the committee retains the exercise of its discretion in assessing outcomes. These are complemented with robust malus and clawback measures. Remuneration outcomes are predictable, as shown in the implementation charts of the 2023 policy, and proportional by virtue of the challenging performance levels required to achieve target pay outcomes. Through material weighting in measures related to safety, sustainability and strategy, as shown on **page 104**, remuneration aligns closely with bp’s culture, as expressed through our purpose and ambition.

Shareholder engagement

Throughout 2024 the committee engaged frequently on remuneration policy and approach with bp’s largest shareholders, as well as their representative bodies. This dialogue will continue throughout 2025. The table below shows the recent votes on the directors’ remuneration report and policy.

Year	% vote ‘for’	% vote ‘against’	Votes withheld
2024 – Directors’ remuneration report	95.88%	4.12%	37,229,024
2023 – Directors’ remuneration policy	94.23%	5.77%	36,921,641

Service contracts and letters of appointment

The service contracts of executive directors do not have a fixed term. Service contracts for each executive director are available for shareholders to view upon request at the company’s registered office. Each executive director’s service contract contains a 12-month notice period. Consistent with the best interests of the group, the committee will seek to minimize termination payments.

	Date of contract	Effective date
Murray Auchincloss	17 Jan 2024	17 Jan 2024
Kate Thomson	2 Feb 2024	2 Feb 2024

The non-executive directors (NEDs) have letters of appointment, which are available for shareholders to view upon request at the company’s registered office. All directors are subject to annual re-election by shareholders at the annual general meeting. Normally, NEDs will be encouraged to serve for up to nine years from their appointment in line with the provisions of the 2018 Code, subject to annual re-election.

External appointments

The board supports executive directors taking up appointments outside the company to broaden their knowledge and experience. Each executive director is permitted to retain any fee from their external appointments. Such external appointments are subject to agreement by the chair and reported to the board. Any external appointment must not conflict with a director’s duties and commitments to bp. Details of appointments as NEDs of publicly listed companies during 2024 are shown below.

	Appointee company	Additional position held at appointee company	Total fees, £
Murray Auchincloss[a]	Aker BP ASA[b]	Director	0
Kate Thomson	Aker BP ASA[b]	Director	0

a Murray resigned from this position during 2024.
b Held as a result of the company’s shareholding in Aker BP ASA.

This directors’ remuneration report was approved by the board and signed on its behalf by Ben J.S. Mathews, company secretary, on 6 March 2025.

Other disclosures

Appointment and succession plans

The chair, senior independent director (SID) and other independent non-executive directors (NEDs) each have letters of appointment with BP p.l.c. and do not serve, nor are they employed, in any executive capacity by bp. In line with the UK Corporate Governance Code (Code), bp proposes all directors for annual re-election by shareholders at the Annual General Meeting (AGM), where letters of appointment for each NED are available for inspection. Details on the skills and experience of each director seeking election or re-election, as well as their individual contributions to the long-term success of the company, are set out in the Notice of AGM. In accordance with the Code, NEDs would not be expected to serve beyond nine years unless there are exceptional circumstances. On behalf of the board, the people, culture and governance committee reviews the formal appointment process and succession plans for the board. Appointments and succession plans are both based on merit and assessed against objective criteria with the promotion of diversity, equity and inclusion as central considerations. This includes diversity of gender, social and ethnic backgrounds as well as cognitive and personal strengths. In reviewing appointments and succession plans, due consideration is given to ensure the smooth transition of board members with specific responsibilities (e.g. committee chair roles) by allowing sufficient time for a detailed handover. This is balanced by the need to have new board members join at regular intervals such that over time there is a controlled approach to board members reaching the end of their tenure. All new directors receive a formal induction, tailored to their individual needs, skills and experience, taking account of any committees they join. These inductions include one-to-one meetings with members of the board and leadership team together with select members of senior management. Feedback is sought from directors undertaking their induction programmes to ensure they are continually updated and improved.

Further detail on board succession and tenure can be found in the people, culture and governance committee report on **page 87** and board at a glance disclosure on **page 71,** respectively.

Time commitments

The expectation regarding time commitment for NEDs to effectively discharge their duties is set out in the directors' letters of appointment. The time commitment varies with the demands of bp business and other events. The NEDs' external time commitments – whether through executive, non-executive, advisory or other roles – are regularly reviewed by the company secretary to ensure that directors are able to allocate appropriate time to bp. A register of directors' time commitments and conflicts is maintained and is also reviewed annually by the people, culture and governance committee. The review process takes into account outside appointments and other external commitments and considers the complexity of the organization, the nature of the role, the sector (especially regulated and/or potentially competing sectors) and any leadership roles (e.g. a chair position). NEDs are also required to consult with the company secretary and chair before accepting any other role that may impact their ability to commit appropriate time to bp. The process for the approval of any new external appointment, significant or otherwise, for an existing director assesses the impact of that appointment on the director's time in order to ensure the director has sufficient capacity for their role with bp. As part of that same review process, a review of independence and potential conflicts of interest is undertaken, taking account of institutional investor and proxy advisor guidance and market best practice. Any external proposed commitments that could exceed the mandates set out in such guidance are given particular consideration. The board was satisfied that significant appointments undertaken during 2024 did not impact the directors' ability to prepare for and attend meetings, engage with stakeholders and participate in learning and development opportunities. The board has concluded that, notwithstanding external appointments held, each director is able to dedicate sufficient time to fulfil their bp duties. In compliance with the Code, none of the executive directors who served during 2024 held more than one non-executive directorship in a FTSE 100 company or other significant appointment throughout their tenure on the board. For more information on the external commitments of bp's directors, see **pages 72-73**.

For information on board meetings held during 2024 and director attendance at board meetings, see **page 71**.

Independence and conflicts of interest

All directors have a statutory duty to exercise independent judgement. Independence of NEDs is crucial in bringing constructive challenge to the chief executive officer (CEO) and the leadership team at board meetings, while providing support and guidance to promote meaningful discussion and, ultimately, informed and effective decision-making. In accordance with the criteria set out in the Code, the chair was considered independent at the time he was appointed. NEDs are required to provide sufficient information to allow the board to evaluate their independence prior to and following their appointment. In addition, each director has a statutory duty to disclose actual or potential conflicts of interest. Formal procedures are in place for new potential conflicts to be reported and recorded during the year. As a consequence of regular reviews in 2024, the board is satisfied that there were no matters giving rise to conflicts of interest which could not be authorized by the board. It has therefore concluded that all bp NEDs are independent.

Reporting in line with UK Listing Rule 6.6.6R(9)

As at 31 December 2024, 55% of the board comprises women, our senior independent director (SID) and chief financial officer (CFO) are women and three directors identify as from an ethnic minority background. Data for the below tables is collected on an annual basis through a standardized process under which each member of the board and executive management is asked to self-declare, or elect not to declare, their ethnic background and gender identity or sex. The information is correct as at 31 December 2024. For the purposes of this table, executive management includes bp's leadership team and the company secretary.

Gender identity or sex	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and chair)	Number in executive management	Percentage of executive management
Men	5	45%	2	6	55%
Women	6	55%	2	5	45%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Ethnic background	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and chair)	Number in executive management	Percentage of executive management
White British or other white (including minority-white groups)	8	73%	100%	9	82%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	3	27%	–	1	9%
Black/African/Caribbean/Black British	–	–	–	1	9%
Other ethnic group	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Directors' statements

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. The directors are required by the Companies Act 2006 to prepare financial statements for each financial year that give a true and fair view of the financial position of the group and the parent company and the financial performance and cash flows of the group and parent company for that period. Under that law they are required to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom and applicable law and have elected to prepare the parent company financial statements in accordance with applicable United Kingdom law and United Kingdom accounting standards (United Kingdom generally accepted accounting practice), including FRS 101 'Reduced Disclosure Framework'. In preparing the consolidated financial statements the directors have also elected to comply with IFRS as issued by the International Accounting Standards Board (IASB) and IFRS as adopted by the European Union (EU).

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosure when compliance with the specific requirements of IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance.
- State that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006 and the parent company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Having made the requisite enquiries, so far as the directors are aware, there is no relevant audit information (as defined by Section 418(3) of the Companies Act 2006) of which the company's auditors are unaware, and the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Each of the current directors, whose names and functions are listed on **pages 72-73**, confirms that to the best of their knowledge:

- The consolidated financial statements, prepared on the basis of IFRS as issued by the IASB, IFRS as adopted by the United Kingdom and EU and in accordance with the provisions of the Companies Act 2006 as applicable to companies reporting under international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.
- The parent company financial statements, prepared in accordance with United Kingdom generally accepted accounting practice, give a true and fair view of the assets, liabilities, financial position, performance and cash flows of the company.
- The management report, which is incorporated in the strategic report and directors' report, includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that they face.

Helge Lund
Chair
6 March 2025

UK Corporate Governance Code compliance

Throughout 2024 bp applied the principles of the UK Corporate Governance Code 2018 (Code) and has complied with all the provisions. The information set out in the directors' report, including the committee reports on **pages 80-110**, is intended to provide an explanation of how bp applied the principles and complied with the provisions of the Code during the year. The Code can be found on the Financial Reporting Council website: frc.org.uk.

Risk management and internal control

Under the Code, the board is responsible for the company's risk management and internal control systems. In discharging this responsibility the board, through its governance principles, requires the chief executive officer to operate the company with a comprehensive system of controls and internal audit and to identify and manage the risks, including emerging risks, that are material to bp. In turn, the board, through its monitoring processes, satisfies itself that these material risks are identified and understood by management and that systems of risk management and internal control are in place to mitigate them. These systems are reviewed periodically by the board, have been in place for the year under review and up to the date of this report and are consistent with the requirements of Principle O of the Code.

The board has processes in place to:

- Assess the principal and emerging risks facing the company.
- Monitor the company's system of internal control (which includes the ongoing process for identifying, evaluating and managing the principal and emerging risks).
- Review the effectiveness of that system annually.

Acquired businesses which have not transitioned into bp's system of internal control and non-operated joint ventures and associates★ have not been dealt with as part of this process.

A description of the principal risks facing the company, including those that could potentially threaten its business model, future performance, solvency or liquidity, is set out in risk factors on **pages 65-67.** During 2024 the board undertook a robust assessment of the principal and emerging risks facing the company. The principal means by which these risks are managed or mitigated are set out on **pages 61-64**.

In assessing the risks faced by the company and monitoring the system of internal control, the board and the audit and safety and sustainability committees requested, received and reviewed reports from executive management, including management of the business segments, corporate activities and any functions, at their regular meetings. A report by each of these committees, including its activities during the year, is set out on **pages 80-85**.

During 2024 the committees, as relevant, also met with management, the SVP internal audit and other monitoring and assurance functions (including group ethics & compliance, safety and operational risk, group control, group legal and group risk) and the external auditor. Responses by management to incidents that occurred were considered by the relevant committee or the board, as appropriate.

At a meeting in March 2025, the audit committee considered reports from the group risk function on the system of internal control and the function's categorization of significant failings or weaknesses. The audit committee also considered a report from internal audit on their assessment of bp's systems of internal control and risk management, based on audit work conducted during 2024. In considering these reports and assessments, the audit committee noted that bp's systems of internal control and risk management are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The board then considered the review undertaken by the audit committee and the proposed disclosures outlining the company's risk management and internal control systems prior to publication of the annual report and accounts.

A statement regarding the company's internal controls over financial reporting is set out on **page 336.**

Longer-term viability

In accordance with provision 31 of the Code, the directors have assessed bp's prospects both at an operating and strategic level with some business planning processes extending out beyond the next ten years. However, the directors believe that a viability assessment period of three years remains appropriate given the nature of our business and exposure to short-term commodity pricing. This assessment is based on management's reasonable expectations of the position and performance of the company over this period, its internal detailed budgets and planning timeframes and the targets and aims that it has set out.

Our risk management system, described in how we manage risk starting on **page 61**, outlines our risk identification, assessment and management approach for all risks, including our principal risks, described starting on **page 65**.

Taking into account the company's current position and its principal risks, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the next three years.

The directors' assessment included a review of the potential financial impact of, and the financial headroom that could be available in the event of, the most severe but plausible scenarios that could threaten the viability of the company. The assessment took into consideration the robust financial position of the group and the potential mitigations that management reasonably believes would be available to the company over this period. Mitigations considered include use of cash, access to debt facilities and credit lines, raising of capital, reductions in capital expenditure, divestments and dividend reductions.

The scenarios that have been modelled are based on the most severe but plausible outcomes and associated costs are based on actual experience where possible. The scenarios link to one or more of our principal risks described on **pages 65-67** and have been considered individually and as a cluster of events. They include:

- A significant process safety incident when operating facilities, drilling wells or transporting hydrocarbons. Process safety, personal safety and environmental risks, see **page 67**.
- A sustained significant decline in oil prices over three years. Prices and markets, see **page 65**.
- A significant cyber security incident. Digital infrastructure, cyber security and data protection, see **page 66**.
- A loss of a significant market or producing asset for six months. Prices and markets, see **page 65**.

As an example of a cluster of events, bp models a risk scenario involving a significant process safety incident (when operating facilities, drilling wells or transporting hydrocarbons) during a low-price environment (i.e. where there is a sustained significant decline in oil prices over a three-year period).

The directors also considered the impact on viability from an extended pandemic scenario, as well as the potential risks associated with climate change and the transition to a lower carbon economy. They consider that the most likely impacts of these risks are broadly captured and modelled through the sustained low oil price and loss of a producing asset scenarios.

In assessing the prospects of the company, the directors noted that such assessment is subject to a degree of uncertainty that can be expected to increase looking out over time and, accordingly, that future outcomes cannot be guaranteed or predicted with certainty.

Fair, balanced and understandable

The board considers the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

Going concern

In accordance with provision 30 of the Code, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Forecast liquidity has been assessed under a number of stressed scenarios to support this assertion. Reverse stress tests performed indicated that the group will continue to operate as a going concern for at least 12 months from the date of approval of the financial statements even if the Brent price fell to zero. For further information on financial risk factors, including liquidity risk, see Financial statements – **Note 29**.