Directors' remuneration report

During the year, bp's performance was robust – both operationally and financially... and there has been continued progress in bp's transformation to an integrated energy company.

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 to 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 359** and the full terms can be reviewed at **bp.com/governance**.

Key areas of focus in 2023

- **Change in leadership** – set the terms of appointment for the interim CEO for the period from 12 September 2023 to 17 January 2024 and interim CFO for the period from 19 September 2023 to 2 February 2024. Determined the departure terms for the former CEO.
- **Workforce engagement** – engaged with the wider workforce on reward and wellbeing – for example, met with new hires to discuss their initial views on bp's reward structures.
- **Remuneration outcomes** – monitored in-flight progress of equity and bonus awards, and evaluated salary and benefits against peer group comparators, considering adjustments where appropriate.
- **Reporting** – reviewed the directors' remuneration report and the UK gender and ethnicity pay gap report.
- **Sustainability measures** – discussed and agreed to the sustainability measures in annual and long-term performance scorecards. For example, after consulting with the safety and sustainability committee and taking into account feedback from shareholders, the remuneration committee set an alternative measure related to operational emissions for the 2024 annual bonus and 2024-26 long-term incentive plan award. T

Contents

Meetings and attendance

The chair and the chief executive officer (CEO) attend meetings of the committee except for matters relating to their own remuneration. The CEO is consulted on remuneration of the chief financial officer (CFO), 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 group's performance and the metrics adopted for each performance cycle.

bp's EVP people & culture, 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 eight times during the year. All directors attended each meeting they were eligible to attend, except one previous apology for a planned meeting.

Non-executive directors	Six scheduled meetings	Two ad-hoc meetings
Paula Rosput Reynolds: member (September 2017), chair of the committee (May 2018)	6/6	2/2
Dame Amanda Blanc[a]: member (January 2023)	5/6	2/2
Pamela Daley: member	6/6	2/2
Melody Meyer: member	6/6	2/2
Tushar Morzaria: member	6/6	2/2

a Dame Amanda Blanc was unable to attend one planned meeting during 2023 due to a prior commitment. She received accompanying material and had the opportunity to provide comments to the committee.

★ See glossary on **page 373**

Chair's introduction

Dear fellow shareholders,

On behalf of the board, I am pleased to present our 2023 directors' remuneration report. This report provides details of the remuneration decisions we have reached regarding current and former executive directors. These decisions comply with the remuneration policy that was overwhelmingly approved at the 2023 Annual General Meeting (AGM) by 94% of the voting shares. The report also covers various matters pertaining to the wider workforce.

Performance and reward for 2023

Business performance

During the year, bp's performance was robust – both operationally and financially. Among other metrics, the company achieved an underlying replacement cost profit★ of $13.8 billion and sustained high levels of reliability and availability of our operations. Operating cash flow★ was $32.0 billion and net debt★ was reduced to $20.9 billion.

There has been continued progress in bp's transformation to an integrated energy company, with momentum across our resilient hydrocarbons, convenience and mobility and low carbon businesses.

2023 annual bonus

The 2023 annual bonus was based on a scorecard of performance measures across three categories: safety and sustainability (30%), operations (20%) and financials (50%).

Safety and sustainability

Safety comes first for all employees at bp; avoiding incidents or injuries that irreversibly change lives is of paramount importance.

Tier 1 and tier 2 process safety events★ performance improved, with the number of events in each category lower than in 2022 and below our targets for 2023. This outcome reflects a relentless focus on process and personal safety. Nevertheless, the positive process safety performance was sadly overshadowed by three workforce fatalities – one within bpx energy and two at our recently acquired TravelCenters of America facilities.

Details of these fatalities, including the actions taken by management in response, are set out on **page 69** in the sustainability section of the strategic report.

The committee decided to apply downward discretion to the formulaic outcome for the entire bonus score reflecting the fatality in our bpx energy business; we reduced the bonus by 5 points for all participants in the 2023 annual cash bonus plan (ACB) to reinforce all employees' individual and collective responsibility for delivering safe operations. The TravelCenters of America incidents were not reflected in the adjustment, which is in line with our new framework for assessing newly acquired assets (see **page 122**).

Further detail on the impact of safety on pay outcomes is provided on **page 115**.

Sustainability is measured in the annual bonus scorecard by the degree to which the company reduces Scope 1 and 2 emissions. We track sustainable emissions reductions (SER)★ and performance in 2023 was slightly ahead of target, delivering 0.908mte of reductions in 2023 and 7.973mte cumulatively since 2017.

Operations

bp delivered strong performance against this category, driven by both high hydrocarbon plant reliability★ and refining availability★, and achieved an outcome of 95.7% for this combined measure. In addition to reliability and availability of our hydrocarbons operations, we adopted another operational measure for 2023 intended to give focus to our newer businesses. Namely, we measured convenience & EV gross margin growth (%)★ which accounts for 10% of the award. The organization demonstrated robust year-on-year growth under this metric (10.6% vs. our target of 10%).

Financials

Our financial performance has two measures: annual adjusted EBITDA★ and adjusted free cash flow★. Adjusted EBITDA delivery was strong at $43.7 billion, resulting in a near maximum outcome for this measure. This outcome reflected both higher production and strong trading results. Adjusted free cash flow was $15.1 billion, which exceeded the maximum target we set for 2023.

As a reminder, in line with policy, the targets for both financial measures are adjusted for the actual price environment to reflect underlying performance.

Overall result

The formulaic outcome of the annual bonus considering safety, operational and financial performance was 1.64 out of 2.00. As described above, the committee decided to exercise its discretion on the mechanical outcome on account of the fatality within bpx energy and reduced the outcome by 5 points to 1.59 out of 2.00 for all participants of the plan (which translates to 79.5% of the maximum opportunity).

2021-23 performance shares

bp started its transition to an integrated energy company in 2020. As a result, this is the second cycle of equity (2021-23) in which we have evaluated performance over a three-year period since the strategy was set in place.

The 2021-23 performance shares were measured against relative TSR (20% weighting), return on average capital employed (ROACE) (20% weighting)★, adjusted EBIDA per share CAGR★ (20% weighting) and strategic progress (40% weighting). The relative weighting of these measures for this award reflected the need, we perceived at the time, to create a significant incentive for strategic progress in the period immediately following the strategy change announced in 2020, ensuring a continued focus on ambitious financial goals and the delivery of shareholder value.

bp's relative TSR performance recovered in the 2021-23 period compared to the prior 2020-22 period. bp achieved median returns relative to peers – placing bp fourth out of eight in the comparator group. This performance resulted in 25% vesting.

Underlying financial performance was resilient over the performance period and both performance measures achieved full vesting; the 2021-23 average ROACE performance was 20.6%, which materially exceeded the ambitious target we set in 2021. Similarly, adjusted EBIDA per share CAGR outperformed target and achieved an outcome of 15.8%.

Unlike the three measures described above, strategic progress was not a quantitative assessment. By design, this measure is assessed in the round – and in two successive policy votes, shareholders have affirmed their willingness to have this committee make these judgements on progress.

When assessing outcomes under the strategic progress measure for the 2021-23 performance shares, the committee considered how management have delivered on bp's transition plans, including its financial resilience, and how they relate to our communicated 2025 targets.

Overall, bp's hydrocarbons business has performed well with all underlying measures on track towards our 2025 targets. In low carbon energy we have seen growth in our pipeline against the backdrop of tough economic conditions, and our convenience and mobility businesses have shown resilient performance in tough trading conditions.

When considering strategic progress in the round, the committee determined that an outcome of 75% of maximum was appropriate.

Looking forward, the committee has decided to evaluate strategic progress based on value generation potential rather than volume goals. The committee will be looking for evidence that the transition growth★ engines are generating sustainable, and growing, earnings. Simultaneously, we will continue to assess progress in the resilience of our hydrocarbon portfolio.

Furthermore, for the next performance share cycle – 2024-26 – the committee has decided to lower the weighting of strategic progress in the scorecard to 20% of the total. We will also raise the relative TSR weighting to 25%. These changes are permitted under the current remuneration policy.

The committee has come to these conclusions with the benefit of shareholder feedback we have received. Namely, shareholders have supported our strategy, but they have noted that vesting of performance shares must reflect the broader shareholder experience over the cycle. They are particularly keen to see the financial resilience of the transition growth engines. We hope you will agree that using value-driven criteria for the outstanding awards and de-rating of strategic progress for future awards is an appropriate response to shareholder feedback received.

Overall, the sum of the several components that go into performance share vesting for the 2021-23 cycle was 75% of maximum. The committee believes that this outcome is reflective of performance during the period and therefore has not applied any further discretion.

Looking ahead to 2024

For 2024, we have reviewed the operation of the bonus and performance shares against our strategy and are proposing only modest changes, all consistent with our shareholder-approved remuneration policy.

Alignment with strategy

Sustainability performance

In 2023, we consulted with shareholders about changing the measurement of our progress in reducing greenhouse gas emissions to provide a direct link to bp's aim 1, to achieve net zero operations by 2050 or sooner.

In our annual bonus scorecard, instead of SER we will use a measure of operated carbon emissions. Unlike SER, operated carbon emissions is a measure recognized by stakeholders and thus allows comparability of our results with those of others in our industry. This measure covers the Scope 1 and 2 emissions reported under aim 1 (net zero operations) and will have the same weighting as SER previously did (15% of award).

It is our intent to measure and reward progressive improvements in operated carbon emissions performance both over the short and long term. We are therefore introducing this operated carbon emissions metric to our 2024-26 executive directors' incentive plan (EDIP) scorecard to better align with our strategic ambition of net zero by 2050 or sooner. This measure will be weighted at 15% and for reference, we will use 2019 as the baseline year (which is consistent with the baseline year for bp's aim 1).

Recognizing the transition growth engines

bp has aims to accelerate the growth in earnings from transition growth engines. Rather than picking business unit specific operating metrics (e.g. convenience margin, EV sales growth), we will measure and report on earnings growth overall in our transition growth engines. This measure should provide better visibility to shareholders as to the financial quality of our transition growth investment★ and focus our teams on ensuring that these new businesses can generate meaningful earnings over time. We will weight this metric at 10% in the annual bonus.

Focus on safety

A number of shareholders provided feedback in 2023 that we were not giving a meaningful enough message through bonus adjustments when fatalities occurred. We have carefully considered the comments and agree that we should modify our approach. Namely, if any workforce fatality occurs during the year, the committee will make it normal practice to adjust the overall bonus outcome downwards. The downward adjustment will vary based on the specific circumstances and will apply broadly across the organization. Notwithstanding this change, safety is an underpin to all of our plans and so we retain absolute discretion to reflect lapses in safety in remuneration outcomes.

Further details have been set out on **page 122**.

Alignment with stakeholders

Wider workforce

When reflecting on pay decisions in relation to the executive directors, the committee is mindful of the pay arrangements of the wider workforce. For 2024, the wider workforce will receive an average salary increase of 4.5% in the UK. Adjustments in other jurisdictions vary by local conditions. All bp employees in the UK earn at least the UK Living Wage.

We are aware that a number of bp's UK pensioners have asked bp management to consent to a trustee request to provide an additional discretionary increase that is over and above the 5% increase they have received under the scheme rules, to their pensions. Discretionary pension increases under bp's many pension schemes around the world are a matter for management. We do note that management made additional funding to the bp Helios Fund and the Retail Trust, which has enabled the trustees of those bodies to support pensioners who are most in need through a one-off grant.

★ See glossary on **page 373**

Shareholder engagement

In 2023, during the development of our directors' remuneration policy, we engaged extensively with our shareholders and the main proxy agencies. We discussed the company's strategy, their expectations in relation to executive pay, and in some cases, our approach to remuneration upon the departure of our former CEO. By letter and in individual conversations, we have engaged with our largest shareholders and proxy agencies on the proposed outcomes for 2023 and the implementation of our policy going forward.

Executive director changes

As announced on 12 September 2023, Bernard Looney resigned as CEO with immediate effect. The board triggered its emergency succession plan to ensure continuity in leadership, resulting in Murray Auchincloss's appointment as interim CEO with immediate effect. As you will have read in our disclosures elsewhere, the board undertook a robust and competitive executive succession process, ultimately resulting in the decision to appoint Murray Auchincloss as the permanent CEO on 17 January 2024. On 2 February 2024, Kate Thomson, who had been acting as interim CFO, was appointed as permanent CFO and became an executive director of the board.

CEO arrangements

Upon appointment as interim CEO, the committee agreed that Murray Auchincloss should receive base pay equal to that of his predecessor for 2023, but that his bonus would be based on a pro-rated salary rather than his new higher salary and that no additional equity grants would be made in the interim. His annual salary was therefore set at £1.45 million, reflecting his increased responsibility, and the competitive landscape.

Upon appointment as permanent CEO, Murray's salary remained unchanged at £1.45 million and he will not receive a salary increase for 2024. All elements of his remuneration will be in line with the shareholder-approved remuneration policy The details have been set out in full on **pages 119 to 120**.

CFO arrangements

Having acted as interim CFO since September 2023, Kate Thomson was appointed to the board and as permanent CFO on 2 February 2024.

Upon appointment, her base pay has been set at £800,000 and will not be reviewed until 1 April 2025. The committee believes it is appropriate that Kate's salary be set at a lower level than that of her predecessor, reflecting her limited experience in a board role. However, the committee will keep the CFO salary under review each year, with regard to performance in the role and market conditions. As such, it is possible that any future adjustments may exceed the percentage for the wider workforce for a period, subject to performance. All elements of Kate's new package are consistent with our remuneration policy.

Former CEO departure terms

In December 2023, the board determined that serious misconduct had occurred in relation to the former CEO. At that time, we disclosed the provisions of his separation. Full details of which are provided on **page 127**.

All remuneration decisions have been made in accordance with our shareholder-approved policy.

Concluding remarks

At the close of this year's AGM, I will depart the board of bp as my nine-year tenure concludes.

As I depart, I want to express my appreciation to my colleagues on this committee, the advisors and executives who support us in our deliberations – and to you, our shareholders, for your constructive feedback and candour. I am gratified that we have always come to agreement on the way forward, after what has often been vigorous and challenging discussion. I trust that 2024 will be no exception. The committee has remained true to the policy you approved and where we have used discretion, it has been thoughtfully undertaken. As always, we welcome your comments on the materials covered herein. One final time, I respectfully ask for your vote in favour of the resolution to approve the 2023 directors' remuneration report at the upcoming AGM.

Paula Rosput Reynolds
Committee chair
8 March 2024

Remuneration at a glance

Key performance highlights in 2023

$32.0bn
operating cash flow
Resilient financial performance

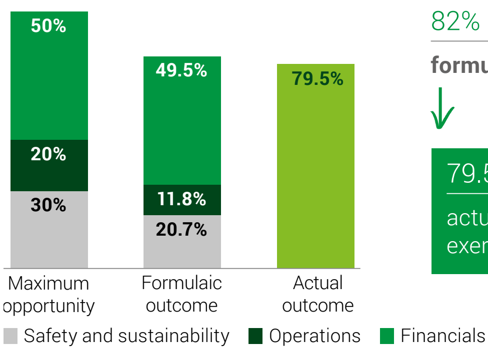
$20.9bn
net debt
Lowest level over past decade

27.760¢
dividends paid per ordinary share
+21% increase vs. 2022

- Acquisition of TravelCenters of America
- 150% increase in energy sales volumes and 35% increase in EV charge points★
- Biogas supply volumes★ rose by 80% year on year
- LNG supply portfolio increased by over 20% to ~23mtpa (2022 19mtpa)

Pay outcomes in 2023

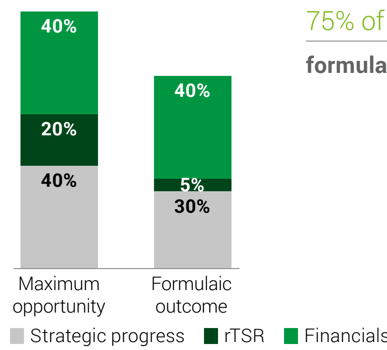
Annual bonus 2023



82% of maximum
formulaic outcome

79.5% of maximum*
actual outcome after exercise of discretion

Performance shares 2021-23



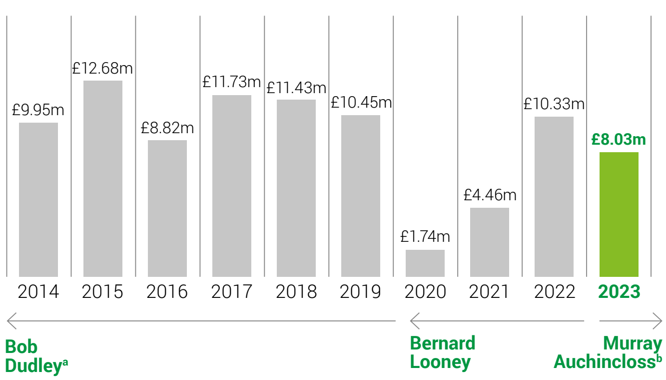
75% of maximum
formulaic outcome

Application of discretion
The committee may exercise discretion in determining the outcomes for the annual bonus and performance shares, reflecting on the broader stakeholder experience during the performance period.

*For 2023, downward discretion was applied to the annual bonus and the formulaic outcome has been reduced by 5 points to 1.59 for all participants. Further details on the application of discretion have been set out on **page 115**.

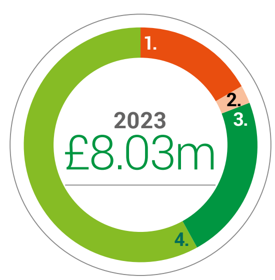
Single figure history

10-year trend of remuneration



a Bob Dudley's single figure converted from USD to GBP at the relevant exchange rate.
b For 2023, the single figure for the CEO (Murray Auchincloss) has been shown in the chart. See **page 113** for further details on the former CEO's single figure for 2023.

Single figure for 2023



Target: £5.8m
Maximum: £10.1m

19%
Total fixed remuneration

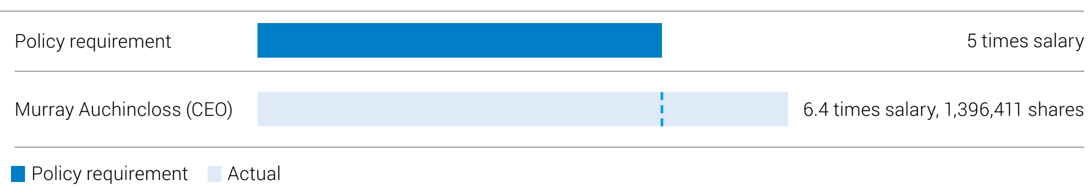
81%
Total variable remuneration

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

Alignment with shareholders

Share ownership

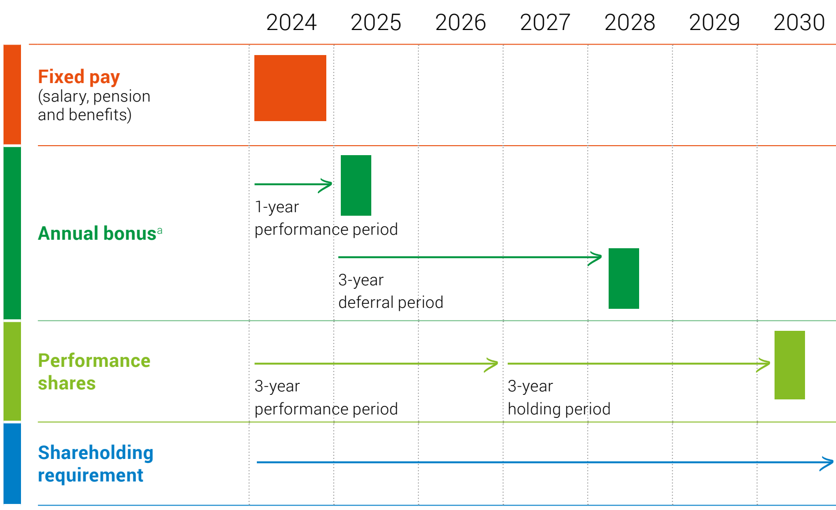
Share ownership is a key means by which the interests of executive directors are aligned with those of shareholders. Murray exceeds the current policy requirement.



Remuneration at a glance continued

Application of remuneration policy for 2024

Set out below is an illustration of how the remuneration policy will be implemented for 2024.



Fixed pay (salary, pension and benefits)
- Upon appointment, the CEO and CFO's salaries were set at £1.45 million and £0.8 million respectively.
- Salaries will remain unchanged in respect of 2024. This compares to an average increase of 4.5% for the UK wider workforce in 2024.

Annual bonus[a]
- CEO's max opportunity: 225% of salary.
- CFO's max opportunity: 225% of salary.
- For 2024, transition growth engines adjusted EBITDA % growth and operated carbon emissions have 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 2024, cumulative reduction % in operated carbon emissions has been introduced to the performance shares scorecard **(see below)**.

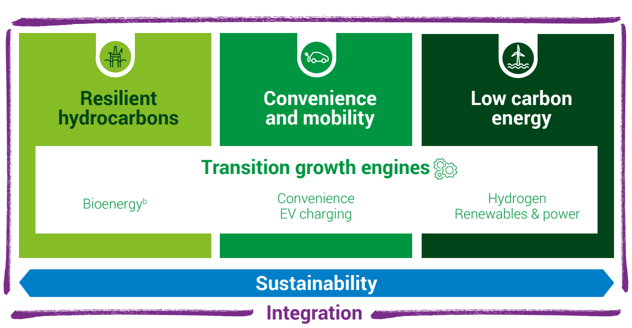
Shareholding requirement
- In-employment and post-employment guidelines will continue to apply.

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 2024 variable remuneration with strategy

Each year, the committee aims to set a remuneration framework for executive directors that supports and incentivizes progress towards our strategy. For 2024 the performance measures in the annual bonus and performance shares scorecards have been refined slightly to further align with our strategy. Measures that have been introduced for 2024 have been marked with ▲ below. Further details on the rationale for their inclusion can be found on **pages 121 and 123**.

bp's strategy



Key focus

Our ambition: Net zero by 2050 or sooner

Financial frame

	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▲	●		●
Operations (20%)			
bp-operated reliability and availability		●	●
Transition growth engines adjusted EBITDA % growth▲		●	●
Financials (50%)			
Adjusted free cash flow ($bn)		●	
Earnings (adjusted EBITDA)		●	
Performance shares			
Cumulative reduction % in operated carbon emissions (15%)▲	●		●
rTSR (25%)		●	
ROACE (20%)		●	
Adjusted EBIDA per share CAGR (20%)		●	
Strategic progress (20%)			●

b Bioenergy includes customer-facing and midstream biofuels activities that form part of convenience and mobility.

Engaging with our workforce

At bp, we believe that having a diverse and engaged workforce is critical for us to deliver our strategy. We aim to create an open dialogue among our board, senior management and the wider workforce – including on topics such as remuneration (see section below).

During 2023, the committee was particularly mindful of the higher cost of living and the challenges inflation presents for many. bp has introduced a range of initiatives to help improve the wellbeing of our colleagues.

We have continued to review our pay arrangements in our retail businesses and are committed to ensuring that our offering is fair. This includes a commitment to increase our hourly wage for ~6,000 UK staff from 1 April 2024 in line with the Real Living Wage.

The results of these initiatives are showcased in our recent 'Pulse annual' employee survey results, where we were pleased to see that all our wellbeing scores improved year on year. Highlights are set out below.

Workforce engagement

During the year, the committee continued its direct engagement sessions with the wider workforce through a number of forums. The intention of the sessions was to better understand the views of our workforce and to encourage an open discussion on relevant matters. More detail on bp's workforce engagement agenda can be found on **page 92**.

With regards to remuneration, a session was held with recent joiners at management level to discuss their initial views on bp's culture and remuneration models (including executive pay). The selected participants came from different parts of the business, from energy to consumer to technology, and represented a diverse group. Without exception, they expressed support for bp's strategy.

There was a shared sense that the culture at bp was welcoming and open, with colleagues wanting to drive success. Our transition to an integrated energy company was frequently cited as a reason for joining the organization. While commentary on our remuneration models was broadly positive, we received feedback that there could be greater simplicity in the structure of incentives.

As ever, we were impressed by our colleagues' readiness to share open and honest feedback with board members and will continue to reflect on our workforce views as we consider executive pay decisions.

Enhance Wellbeing

Our **aim 15** is to enhance the health and wellbeing of our employees, contractors and local communities. This is achieved through the innovative programmes, partnerships and offers at bp.

Physical and mental wellbeing

Objective: Support employees to proactively improve their physical and mental health.

- Achieved menopause-friendly employee accreditation from 2023 for the UK. This included launching new guidance, e-learning modules for colleagues and leaders and collaborating with our external providers.
- In 2023, bp provided more paid leave and enhanced medical coverage in several countries – including Singapore, Malaysia, India and Hungary.
- In the process of designing a new global mental health education programmes for our wider workforce called 'Healthy Minds'.
- Following the success of rolling out free membership for the Headspace app, around 9,000 employees enrolled globally.
- For the first time, 'Thrive Together' our wellbeing challenge was available globally – inspiring employees to take positive action and enhance their wellbeing.

~69,000 employees with access to financial wellbeing support

26% increase in our global wellbeing platform usage

~9,000 employees enrolled with Headspace

~180,000 views of our global wellbeing guides

Financial wellbeing

Objective: Alleviate the impact of money concerns on overall wellbeing.

- During the year, we hosted a series of global events on financial wellbeing for our below board employees. The sessions aimed to provide practical tips on how to manage day-to-day finances and signposted the financial support systems in place at bp.
- These events were made available to all site-based employees globally, with relevant material being extended to our retail and non-site-based employees.
- Introduced financial coaching sessions to support colleagues in the UK with managing their personal finances. Following this success, we plan to roll-out a global toolkit for financial wellbeing in 2024.
- In the UK, all new joiners are entitled to a free 1:1 financial coaching session with other colleagues receiving a discounted service.

Focus on retail

- Accredited as a Living Wage Employer in the UK since 2020 – first major energy, mobility and convenience employer to achieve this.
- Increased the hourly wages of ~6,000 staff as part of an £8 million annual investment in pay which is effective 1 April 2024. In practice, this will mean that staff nationwide will receive over £2,000 extra a year.
- Continue to ensure our retail employees are offered a competitive benefits package, which includes discounted food and shopping and paid breaks (worth ~£2,500 a year).

★ See glossary on **page 373**

Directors’ remuneration report continued

Wider workforce in 2023

Element	Policy features for the wider workforce	Comparison with executive director remuneration
Salary	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 each year, we assess how employee pay is currently positioned relative to market rates, wage inflation, forecasts, and business context related to such things as growth plans, workforce turnover and affordability. For 2024, most salaried employees will receive a base salary increase (effective 1 April 2024). In the UK, the average pay increase has been set at 4.5%.	The salaries of our executive directors form the basis of their total remuneration, and we review these salaries annually along the same timelines as the wider workforce. Salary increases for executive directors will typically be at or below the salary review budgets set for our wider workforce. In specific circumstances, salary increases may be awarded above the workforce rate and will have regard for the individual’s performance in the role and market competitiveness. As the executive directors were only appointed earlier this year, there will be no further salary increases for either of them as part of the annual pay review for 2024.
Pensions and benefits	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, covering 57% of the UK workforce, we provide a flexible cash benefits allowance of 20% of salary. In the UK, our hourly retail employees, the majority of whom are part-time, are eligible to participate in the National Employment Savings Trust (NEST) where we make contributions and all proceeds are portable with the employee.	Executive directors, both current and future appointments, are to 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.
Annual bonus	More than half of the eligible global workforce participate in an annual cash bonus plan that multiplies a grade-based target bonus amount by a bp performance factor in the range 0 to 2. In 2022, the bonus plan was enhanced to include a stronger link to individual performance. Select participants may be nominated to receive an uplift to their bonus outcome, reflecting their contribution and impact. We operate different bonus plans for those distinct parts of our business where market practice is markedly different, such as our trading business.	The annual bonus for the executive directors is linked to the same bp performance measures and bp performance factor as those for the wider workforce. Executive directors are not entitled to a bonus uplift linked to individual performance.
Performance shares	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). For the group leader population, we operate a hybrid scheme with a mixture of restricted shares and performance shares awarded. The performance shares are aligned to bp’s performance outcomes – similar to the scorecard used for executive directors. All employees are eligible to receive ad hoc share awards in exceptional circumstances. bp also operates an award-winning global ShareMatch programme which is available to over 17,500 employees in 47 countries.	Performance shares for our executive directors are assessed using a bp performance scorecard, similar to the scorecard used for the group leader population. There are no restricted shares for executive directors. Executive directors’ performance share awards are subject to an additional three-year holding period post-vesting. Executive directors are also expected to build a minimum level of shareholding equal to 5x salary for the CEO and 4.5x salary for the CFO. This minimum holding cannot be sold until two years post-employment.
Recognition	energize!, our global recognition platform is open to all employees for peer-to-peer recognition. Recognition may be in the form of a ’thank you’ or points that can be spent on a catalogue of products. 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 two executive directors fully participate in the programmes (typically by giving recognition). They may receive non-financial recognition only through energize!.	
Wellbeing	All employees have access to mental health support via our employee assistance programme. In addition, Thrive@bp – our global wellbeing platform – is open to all employees and provides access to mental, physical and financial wellbeing support. In a number of countries, employees have access to a personal wellbeing fund – a sum of money that can be spent on wellbeing initiatives. In 2023, this was equal to £1,500 per employee per annum, in the UK.	

Executive directors' pay for 2023

Single figure table – executive directors (audited)[a]

	Murray Auchincloss[b] thousand 2023	Bernard Looney[b] thousand 2023	Murray Auchincloss thousand 2022	Bernard Looney thousand 2022
Salary	**£1,015**	**£996**	£782	£1,372
Benefits	**£338**	**£30**	£88	£75
Cash allowance in lieu of pension	**£190**	**£149**	£117	£206
Annual bonus[c]	**£1,839**	**£0**	£1,404	£2,366
Performance shares[d]	**£4,652**	**£0**	£3,037	£6,313
Total remuneration	**£8,034**	**£1,175**	£5,429	£10,331
Total fixed remuneration	**£1,543**	**£1,175**	£988	£1,653
Total variable remuneration[e]	**£6,491**	**£0**	£4,441	£8,678
Application of malus and clawback[f]		**£(2,979)**		
Total remuneration (incl. malus and clawback)[g]		**£(1,804)**		

a Due to rounding, the total may not agree exactly with the sum of the component parts.
b As announced on 12 September 2023, Bernard Looney resigned as CEO and stepped down from the board with immediate effect. For 2023, the figures stated in the table reflect the time spent in his role as CEO (1 January 2023 to 12 September 2023). Murray Auchincloss was appointed as interim CEO on 12 September 2023, having previously been in position as CFO.
c Annual bonus is subject to deferral into shares for three years at a rate of 33%, in line with the 2023 remuneration policy approved by shareholders.
d The performance share figure for 2023 has been calculated using the average share price in the last three months of 2023 of £4.93 and includes notional dividends accrued up to 16 February 2024. For 2022, the performance shares have been restated to reflect the share price on the date of vesting of £4.86 and actual dividends received.
e In respect of 2023, Bernard Looney did not receive any variable pay awards. He was not entitled to any annual bonus in respect of the financial year and his 2021-23 EDIP award lapsed in full.
f In line with regulatory requirements for reporting single figure outcomes, the table sets out the value of the malus and clawback applied to Bernard Looney's variable pay awards in respect of awards which have previously been reported in prior year single figure tables. These values are in line with the press release on 13 December 2023 and further detail can be found on **page 127**. The value for awards subject to clawback has been shown on a net-of-tax basis as per bp's clawback policy.
g Following the board's decision on 13 December 2023, Bernard Looney's outstanding 2022-24 EDIP and 2023-25 EDIP awards also lapsed in full. These have not been included in the table as they have not previously been reported in single figure tables as performance periods are still in-flight. For reference, the maximum value of both these awards would have been £14,667k when calculated in line with the press release on 13 December 2023. Further details can be found on **page 127**.

Overview of single figure outcomes

Salary

On 12 September 2023, Murray Auchincloss was appointed as CEO on an interim basis. The committee agreed that his remuneration package should be broadly in line with that of his predecessor and his base pay was set at £1.45 million.

Murray has been an advocate of bp's strategy to transition to an integrated energy company and remains focused on delivering exceptional performance – this was clearly evident when he undertook the interim CEO role. The committee believes it was in our shareholders' interest that Murray's remuneration was set at a level that appropriately reflected the responsibility and scope of the role, while motivating and retaining him during this interim period, thus ensuring a continued focus on delivering our long-term strategy. The extensive external search we undertook confirmed our view that a base pay of £1.45 million was competitive to lead a company of bp's size, business complexity and strategic ambition.

Benefits

Executive directors received car-related benefits, coverage of tax return preparation, security assistance, health and life insurance and medical benefits.

Transitional changes to the car-related benefit provided to Murray Auchincloss, as approved by the committee, is the primary reason for the increase in the value of taxable benefits compared with 2022. The cost of this benefit is expected to fall in 2024.

Cash allowance in lieu of pension

Upon appointment to the board in 2020, Murray's cash allowance in lieu of pension was aligned to the flexible benefit allowance for the majority of the wider UK workforce at that time (15% of salary).

In the 2023 directors' remuneration policy, the cash allowance in lieu of pension for executive directors was changed to 20% of salary (in line with the wider workforce). This amendment to our policy was supported by shareholders and approved at the 2023 AGM with a vote of 94%. From the 2023 AGM, Murray's cash allowance was therefore adjusted to 20% of salary. As disclosed in last year's report, Bernard Looney's allowance remained unchanged at 15% of salary.

Annual bonus

The committee has considered the approach that should be taken in relation to Murray's annual bonus award for 2023. In line with our remuneration policy, awards are typically calculated using salary as at year-end. However, given Murray's relatively short tenure as interim CEO during the performance period, the committee felt it would be appropriate to base his award on a pro-rated salary.

In relation to the deferral requirement, the committee reviewed Murray's shareholding during the year to assess if the minimum shareholding requirement had been met. Given that his bonus award is based on a pro-rated salary, it was considered appropriate to calculate his shareholding on the same basis. As of 16 February 2024, the CEO achieved a shareholding of 6.4x salary (based on a pro-rated salary). This is above the minimum shareholding requirement for the CEO of 5x salary and his 2023 award will therefore be subject to a deferral rate of 33%.

2023 annual bonus scorecard and outcome

For 2023, the committee assessed performance against a bonus scorecard of seven measures across three categories: safety and sustainability, operations and financials. These measures align with our strategy (see **page 12**) and were set out under the terms of our 2023 policy.

Safety and sustainability		Operations		Financials		Formulaic score
0.41	+	0.24	+	0.99	=	1.64 out of 2.0

Measures		Weighting	Threshold (0)	Target (1)	Maximum (2)	Outcome
Safety and sustainability (30% weight)	Tier 1 process safety events★	15%	12 0	10 0.075	8 0.15	39 (tier 1: 9, tier 2: 30) **0.26**
	Tier 2 process safety events★		47 0	39 0.075	31 0.15	
	Sustainable emissions reductions★ (million tonnes)	15%	<7.77 0	7.97 0.15	8.27 0.3	7.973 **0.15**
Operations (20% weight)	bp-operated reliability and availability	10%	94.5% 0	95.5% 0.1	96.4% 0.2	95.7% **0.13**
	Convenience & EV gross margin % growth	10%	4% 0	10% 0.1	16% 0.2	10.6% **0.11**
Financials (50% weight)	Adjusted free cash flow★	25%	$12.6bn 0	$13.6bn 0.25	$14.6bn 0.5	$15.1bn **0.50**
	Adjusted EBITDA	25%	$40.7bn 0	$42.2bn 0.25	$43.7bn 0.5	$43.67bn[a] **0.49**
Formulaic score						**1.64 out of 2.0**

Formulaic scorecard outcome	Committee judgement for fatalities	Final scorecard outcome	
1.64 out of 2.00	**- 0.05**	**1.59 out of 2.00**	**79.5% of maximum**

a Adjusted EBITDA for bonus calculation purposes ($43.67bn) differs from the figure reported elsewhere in the bp Annual Report and Form 20-F 2023 ($43.71bn) because of accounting adjustments made after the committee's bonus outcome decisions.

Safety performance as measured by tier 1 and 2 process safety events, was strong with the mechanical outcome achieving between target and maximum performance. The committee's review of safety performance is detailed below and in the safety and sustainability committee (S&SC) report on **page 103**.

Sustainable emissions reductions (SER) of 7.973mte cumulative (2023 vs. 2017) met target for the fourth year running, demonstrating consistent progress against our aim 1. At the start of the year bp identified opportunities for emission reductions based on planned activity totalling 704kt in 2023. However, an SER target of 900kt was set to continue embedding a net zero mindset and ownership of emissions performance across the operating entities. This approach led our sites to review existing activity sets and identify projects with SER potential that were not in existing plans. Key contributions across bp's portfolio included Whiting and Cherry Point refineries switching to low carbon power (255kt), bpx energy projects including electrification, vapour recovery and centralized processing in the Permian and Eagle Ford (240 kt), and a focus on flare system and practices improvements across production sites (102kt).

Reliability and availability is a measure of bp-operated refining availability and bp-operated plant reliability with a performance outcome of 95.7% – slightly above target. Refining availability strengthened year-on-year to 96.1% (94.5% in 2022). Plant reliability was below the target outcome at 95.0%.

Convenience & EV gross margin % growth (v. 2022) was above target with an outcome of 10.6%. Over the period, our EV energy sales grew by 150% and our convenience gross margin, excluding TravelCenters of America and adjusted for other portfolio changes at constant foreign exchange, was up by 9%.

Financial performance, as measured by **adjusted free cash flow and adjusted EBITDA**, was strong. bp generated adjusted free cash flow of $15.1 billion, which resulted in the maximum outcome. Similarly, adjusted EBITDA performance was strong with an outcome of $43.67 billion, slightly below our maximum target. Our targets are environment-adjusted at year end and the revised targets for adjusted free cash flow and adjusted EBITDA were $13.6 billion and $42.2 billion respectively.

Overall outcome

The formulaic score for the 2023 annual bonus was 1.64 out of 2.00 (82% of maximum).

The committee, advised by the S&SC, considered the circumstances of all of the fatalities and resolved to apply a downward adjustment to the annual bonus for one of the fatalities (see 'A focus on safety' below).

The formulaic score has therefore been reduced by 5 points from 1.64 to 1.59 (79.5% of maximum) for all plan participants.

A focus on safety

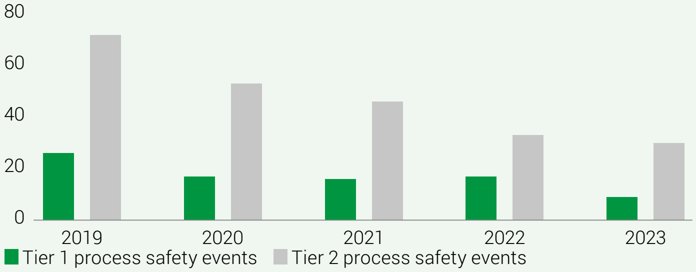
Safety comes first at bp and avoiding safety incidents within the workforce is paramount. Our goal is to eliminate tier 1 process safety events, fatalities and life-changing injuries.

Each year the committee, with advice from the S&SC, reviews the formulaic outcome of the annual bonus scorecard against broader contextual factors when determining the final performance outcome. As part of this holistic review, careful consideration is given to annual and long-term safety performance, any major safety incidents and any workforce fatalities during the year.

Process safety performance

To improve the focus on tier 1 process safety events, the committee determined that for the 2023 annual bonus scorecard tier 1 and tier 2 events would be measured independently rather than a combined measure. The committee is pleased to report that both tier 1 and tier 2 process safety events – particularly tier 1 – were lower than prior years.

Process safety events over last five years



The overall strong process safety performance resulted in a score of 87.5% of maximum for this element of the annual bonus scorecard. With the overall trend in process safety performance over time being positive, the committee felt this outcome was fair.

Impact of fatalities

In 2023, three people lost their lives while working for bp – a contractor within bpx energy and two employees from our newly acquired TravelCenters of America business. Our thoughts, as ever, are with their family, friends and co-workers.

Alongside the S&SC, the committee reflected on the fatalities that occurred during the year. While the fatality in bpx energy was within bp's ultimate responsibility, the incident was contractor led and under a third party management system. However, after careful consideration the committee concluded that the fatality should directly impact the annual bonus.

TravelCenters of America was acquired mid 2023 and is not fully integrated into bp – either from a safety culture or remuneration perspective (employees there do not participate in the bp annual cash bonus plan). The committee has therefore determined that applying a discretionary adjustment to all bp employees for the fatalities in TravelCenters of America would not be appropriate at this time. This is consistent with our approach to target setting more generally for recent acquisitions, where a transition period normally applies. Details on the TravelCenters of America acquisition are provided on **page 20**.

Reflective of the fatality in our bpx energy business, the overall formulaic outcome of 1.64 has been reduced by 5 points (3%), resulting in an overall performance outcome of 1.59. This adjustment has been applied to all participants of the bp annual cash bonus plan to emphasize our collective responsibility with regard to safety.

We hope to see fatalities eliminated. Nevertheless, in response to shareholder feedback, a framework has been developed to guide the committee's decisions regarding the impact of fatalities on incentive outcomes. This new framework will formally take effect from 2024 (the committee has applied its principles when determining 2023 outcomes). Further detail on the framework has been provided in the implementation section of this report (see **page 122**).

2021-23 performance share plan scorecard and outcome

2021-23 performance share awards 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).

2021-23 performance share plan scorecard (audited)

These measures were set under the terms of our 2020 policy.

rTSR		ROACE		Adjusted EBIDA per share CAGR		Strategic progress		Formulaic vesting
5.0%	+	20.0%	+	20.0%	+	30.0%	=	75.0%

Measures		Weighting	Threshold performance	Maximum performance	Outcome
rTSR (20% weight)	rTSR	20.0%	Fourth	First	Fourth 5.0%
				Outcome	**5.0%**
Financials (40% weight)	ROACE (average 2021-23)	20.0%	9.7%	10.7%	20.6% 20.0%
	Adjusted EBIDA per share CAGR	20.0%	4.6%	6.6%	15.8% 20.0%
				Outcome	**40.0%**
Strategic progress (40% weight)	Deliver value through resilient hydrocarbon business	13.3%	Qualitative and quantitative assessment by the committee, see **pages 117 to 118**.		• bp's hydrocarbon business performed well, with underlying measures on-track to 2025 targets. • bp met its first goal under aim 4 (deployed methane measurement).
	Demonstrate track record, scale and value in low carbon energy	13.3%			• Strong performance against renewable pipeline (GW) objectives, with pipeline more than doubling over the period. • Currently tracking behind 2025 target for the developed renewables measure.
	Accelerate growth in convenience and mobility	13.3%			• On-track to achieve convenience margin★ growth and strategic convenience sites★ objectives. • Performance in *Castrol* tracking lower than expected.
				Outcome	**30.0%**
Formulaic vesting					**75.0% out of 100.0%**

Formulaic vesting	Underpin	Final vesting after committee judgement
75.0%	Underpin: Committee review of absolute shareholder returns, long-term safety and environmental performance, low carbon and climate change considerations. **No adjustment**	75.0%

Relative TSR

During the performance period, bp's rTSR performance placed it fourth out of eight in the comparator group which resulted in 25% of this measure vesting.

Financials

Performance for ROACE, at 20.6% over the period, was strong and resulted in maximum vesting of this measure. Similarly, adjusted EBIDA per share CAGR performance was strong, achieving 15.8%. As part of the review of outcomes, the committee considers the impact of the trading environment with respect to ROACE outcomes, and in respect of adjusted EBIDA per share CAGR the committee review share buyback activity outside of plan during the performance period. It determined that no further adjustments should be made for the 2021-23 cycle.

Strategic progress

Overview of strategic progress

Strategic progress is determined using a balance of quantitative and qualitative judgement against bp's three strategic pillars: to deliver value through a resilient hydrocarbon business; to demonstrate track record, scale and value in low carbon energy, and; to accelerate growth in convenience and mobility. The committee assesses performance against objectives within these pillars and takes into account the broader stakeholder experience during the performance period.

During our review of strategic progress, the committee was mindful of bp's mid-cycle announcement in February 2023 updating its transition strategy. These updates were strongly supported by the board and the committee.

On balance, the committee determined that the strategic progress measure should result in 75% of maximum vesting.

1. Deliver value through a resilient hydrocarbon business

Unit production costs

Unit production costs★ have reduced by 15% over the three-year period, from $6.82/boe in 2021 to $5.78/boe in 2023. This currently places bp ahead of our 2025 target of $6.00/boe by 2025.

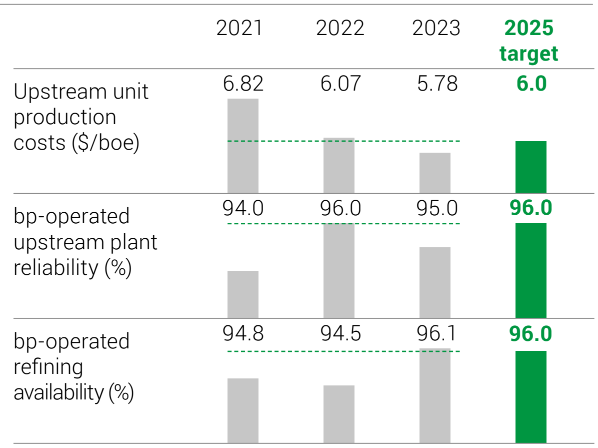
This performance has largely been driven by portfolio high grading and efficiency gains. Looking ahead to 2025, the aim is to maintain a production cost at ~$6.00/boe – which is ambitious given the challenges in the current market.

Plant reliability

For 2023, hydrocarbon plant reliability was 95.0% which was a slight decline from our 2022 high-point of 96.0%. But, bp remains on track to reach its 2025 target and continues to be focused on delivering major projects★ with higher reliability.

Refining availability

Refining availability was 96.1% in 2023, compared to 94.5% in 2022 and slightly above the 2025 target of ~96%. During the period, we have seen strong performance across the sites with focus on continuously enhancing availability through ongoing improvement initiatives and safely delivering turnaround events.



2. Demonstrate track record, scale and value in low carbon energy

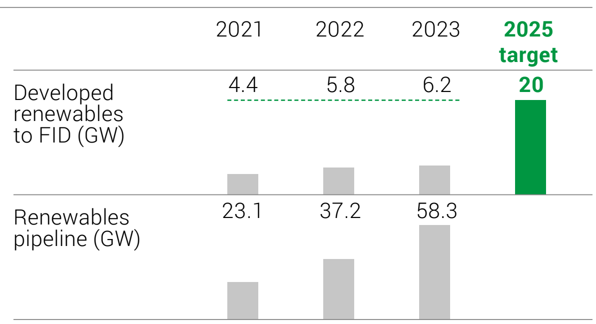
During the year, bp has continued to make progress against our low carbon energy strategic pillar. Focus remains on the transition growth engines as bp works towards achieving its 2025 targets.

Developed renewables to FID★

During the performance period we have delivered 2.9GW to FID (bp net), with main contributions from Lightsource bp (50% JV) and the 100% bp solar pipeline (Cygnus). Driven by supply chain challenges in the US and the principle of value over volume, Lightsource bp has reduced the number of delivered sanctioned projects in 2023. In US offshore wind, given challenging macroeconomic conditions we have restructured our Beacon and Empire projects taking full ownership of Beacon and transferring Empire ownership to Equinor. Slower pace in solar FIDs and US restructuring in relation to offshore wind resulted in slower GW to FID progression.

Renewables pipeline★

bp has materially scaled the renewables businesses with the pipeline of projects increasing from 10.9GW (end of 2020) to 58.3GW (end of 2023). bp's offshore wind organization pipeline was built from a zero base and the pipeline has doubled in recent years – with a total potential generating capacity of 4GW in Germany.



★ See glossary on **page 373**

3. Accelerate growth in convenience and mobility

Convenience gross margin growth

For 2021-23, convenience gross margin growth was an average of 9% and remains on track to achieve the 2025 target of 10%.

During the period, bp extended the convenience partnership with Lekkerland and Auchan to deliver services at retail sites in Germany and Poland.

Strategic convenience sites

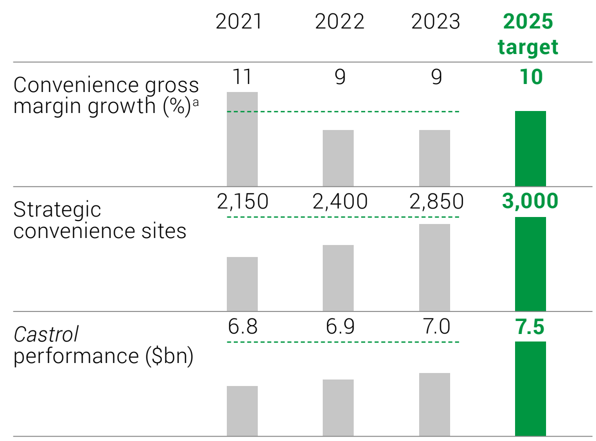
Strategic convenience sites are on track to exceed the 2025 target of 3,000 sites. This has been supported by taking full ownership of *Thorntons* in 2021 and the acquisition of TravelCenters of America in 2023, which added around 290 sites.

Castrol performance

During the period, *Castrol* has strengthened its market leading position in EV fluids. For instance, three out of four of the world's major vehicle manufacturers use *Castrol ON* products as part of their factor refill.

This success has been supported by investments in our technology centres, e.g. a new EV laboratory in Shanghai, China and a new laboratory in New Jersey, US.

However, performance to date is tracking lower than the 2025 targets. This is partly due to the challenging market environment.



Approach to outstanding awards

Having reflected on our approach to assessing strategic progress as part of the EDIP scorecard, the committee intends to judge this measure primarily through value-driven criteria for outstanding awards. This evaluation will include consideration of the financial performance of the transition growth engines, which has been raised as a key indicator of our strategic progress by shareholders in our recent consultation.

It is also to be noted that for 2024, the strategic progress measure is to be weighted at 20% of the award (previously 25%) while relative TSR will increase from 20% to 25%. For further details on the implementation of our policy for 2024, please refer to **pages 119 to 120**.

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 low carbon and climate change matters. Where relevant, we take input from the safety and sustainability committee and the audit committee to deepen and enhance our perspective.

Windfall gains: As part of this holistic review, the committee also considered potential 'windfall gains'. Last year, the committee applied a downward adjustment to the 2020-22 performance share award in response to the fall in share price of 40% from the prior year's grant. That adjustment was viewed as extraordinary given the pandemic-related circumstances and was not intended to be embedded into the policy. For 2021-23, the grant price was ~4% lower than the share price used for the prior year grant. Therefore, an adjustment for windfall gains was not deemed appropriate for this cycle.

Having considered the above, the committee concluded that the vesting outcome was suitably reflective of the company's underlying performance and the experience of stakeholders overall. The committee therefore agreed it was not necessary to apply discretion to the out-turns and approved the formulaic vesting of 75% for the 2021-23 performance share awards. This decision yields the outcomes shown in the table below. The scorecard detail is shown on **page 116**.

2021-23 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[b]
Murray Auchincloss	1,122,009	943,565	£4,651,775	£1,811,645

a Adjusted for other portfolio changes and excludes TravelCenters of America.
b These values reflect the impact of the increase in share price since grant related to the number of shares which are no longer subject to performance conditions, including notional dividends accrued up to 16 February 2024. The value of unvested shares not subject to performance conditions reflects the share price changes all shareholders have experienced over the three-year period. For this 2021-23 award cycle, the original grant was calculated based on ordinary share price of £3.01, while the average share price in 4Q 2023 was £4.93. Consequently, the share price gain has increased the initial face value of these awards by approximately 64%.

Policy implementation for 2024

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 2024, alongside a summary of key features.

Element	Policy feature	2024 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 oil and gas 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.	• Upon appointment to their respective roles, the CEO and CFO's salaries were set as follows: – Murray Auchincloss (CEO): £1,450,000 – Kate Thomson (CFO): £800,000 • Given their recent appointments, executive directors will not receive an increase in respect of 2024 as part of our annual salary review. • The average increase to our UK salaried staff effective from 1 April 2024, our annual salary review date, will be 4.5%.
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 value is accrued under either plan. • Benefits will remain unchanged for 2024 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 2024, our scorecard categories will remain unchanged and will be assessed against the following: safety and sustainability (30%), operations (20%), and financials (50%). • We intend to make two changes to performance measures for 2024: – Introduce a more holistic measure focused on growth in our transition growth engines financial delivery (transition growth engines adjusted EBITDA % growth), in place of the convenience & EV margin growth measure. – Replace our sustainable emissions reductions measure with operated carbon emissions to directly align with our net zero ambition. • See **page 121** for further details on measures for the 2024 annual bonus. • From 2024, we are introducing a framework to help guide decisions on adjustments to the bonus outcome in relation to fatalities. Further detail has been provided on **page 122**.

★ See glossary on **page 373**

Element	Policy feature	2024 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.	• For our 2024-26 cycle, the scorecard categories will remain unchanged from the 2023-25 cycle, although we have amended the weightings. Performance will be assessed against rTSR (25%), ROACE (20%), adjusted EBIDA per share CAGR (20%), ESG (15%) and strategic progress (20%). 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 weighting of strategic progress has been decreased from 25% to 20%, reflecting feedback from shareholders, and relative TSR will be increased from 20% to 25% of the overall award. • Under the ESG measure, we are proposing a cumulative reduction % in operated carbon emissions to better align with our strategic ambitions (e.g. aim 1 – net zero by 2050 or sooner). • The 2024-26 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 2024 annual general meeting. • Any shares that vest 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.
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 6.4 times pro-rated salary, above his minimum shareholding requirement. See **page 125** for further details. • Kate's shareholding has reached 2.1 times salary. Over the next five 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 re-alignment, 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.	

Salary

As announced on 17 January 2024, Murray Auchincloss was appointed as CEO with immediate effect and his base pay was set at £1.45m (in line with his predecessor). As part of the search process for a new CEO, external and internal candidates were considered. During this process, the committee became acutely aware of the challenges of competing in the global talent market (particularly in the US). We also reflected on the nature of the CEO role, which is inherently complex as we continue to drive our strategic transformation. On balance, our market positioning is considered appropriate and suitably reflective of the role.

Kate Thomson was appointed to the board and as CFO on 2 February 2024. Her base pay has been set at £800,000 (lower than her predecessor). The committee felt this was appropriate, balancing her limited experience as a board member and CFO of a FTSE 20 company, with her market positioning and with her proven capability within bp. We will continue to review her salary as she develops within the role, with regard to performance and market competitiveness. As such, adjustments in future years may exceed the percentage accorded the wider workforce for a period.

For 2024, Murray and Kate will not receive a salary increase as part of our annual pay review. For reference, the average wider workforce increase will be 4.5% in the UK.

Measures for the 2024 annual bonus

For 2024, two new measures are being introduced to the scorecard to reflect our strategic priorities for the year – operated carbon emissions and transition growth engines adjusted EBITDA % growth.

We are replacing our sustainable emissions reductions (SER) measure with operated carbon emissions to better align with our aim 1 – net zero operations by 2050 or sooner. This measure incorporates all operated emissions (Scope 1 and 2) and takes into account all activities that contribute to or reduce emissions during the year. This provides a more comprehensive view of our sustainability performance during the year than sustainable emissions reductions, which is only measured against interventions taken to reduce emissions in year. Operated carbon emissions is recognized by stakeholders and allows comparability of our performance with those of others in our industry. The committee believes that the introduction of operated carbon emissions will drive the right behaviours in the scorecard by remaining focused on activities impacting emissions during the year.

Under operations, we are introducing a more holistic transition growth engines adjusted EBITDA % growth measure in place of the convenience & EV margin growth measure. This change is reflective of our continued focus on financial delivery within all our transition growth engines and aims to widen the scope of how we assess performance within the scorecard.

Provided below is a summary of the measures we have chosen for the 2024 annual bonus plan scorecard. The targets are commercially sensitive and will be disclosed in the 2024 directors' remuneration report.

Safety and sustainability
30%

Measures include	Weighting
Tier 1 and tier 2 process safety events (measured separately)	15%
Operated carbon emissions	15%

Operational
20%

Measures include	Weighting
bp-operated reliability and availability	10%
Transition growth engines adjusted EBITDA % growth	10%

Financials
50%

Measures include	Weighting
Adjusted free cash flow	25%
Earnings (adjusted EBITDA)	25%

★ See glossary on **page 373**

Introduction of framework on fatalities

It is always our goal to eliminate workforce fatalities. Nevertheless, should such tragic losses occur, from 2024 onwards, a framework is being introduced to help guide decisions regarding the impact of workforce fatalities on the annual bonus scorecard. In developing the framework, the committee listened to shareholder feedback during the 2023 engagement cycle and sought the input of the safety and sustainability committee (S&SC).

The framework is based on the following guiding principles:

Collective responsibility	The entire annual bonus score will typically be adjusted by the same percentage for all participants of the plan in the event of a workforce fatality. This is to reinforce that safety is everyone's priority at bp.
Meaningful adjustment	Any reduction will be applied to the overall outcome of the annual bonus scorecard, rather than impacting only the safety elements of the bonus.
Judgement within a frame	The level of adjustment will be a judgement within a range up to a maximum set by reference to the weighting of the safety component of the annual bonus scorecard. There is no value that we would associate with a loss of human life and therefore are not proposing a formulaic policy in such situations.
Treatment of new assets	To enable the embedding of bp's safety culture, operating systems and practices, major acquisitions will be excluded for an initial period of time. This will be agreed upfront and allow for a period of transition to bp.

Application of framework

The framework will be consulted where there has been any workforce fatality during the year. The committee will seek input from the S&SC, who will provide a view on the individual fatalities. This will broadly include consideration of the following:

Influence
The extent to which the incident was within bp's operational control

Foreseen
The extent to which the incident could have been foreseen

Nature of deficiency
To reflect whether the incident was an isolated versus a systemic deficiency

Taking into consideration the S&SC's input, the committee will then apply judgement on the level of adjustment to be applied to the overall formulaic bonus.

Treatment of new assets

As stated above, major acquisitions will be excluded from the framework for an initial period to enable the embedding of bp's safety culture, operating systems and practices.

For example, it has been agreed that Lightsource bp will be excluded for two years; 2024 and 2025 performance years, based on an acquisition date expected in 2024, and TravelCenters of America for three years; 2023, 2024 and 2025 performance years, based on an acquisition date of May 2023. The difference in timeframes between the two is reflective of TravelCenters of America being a complex business with over 20,000 employees and therefore requiring a longer period of time to fully embed bp's safety culture. Practically, this means that any fatality in Lightsource bp or TravelCenters of America may impact the annual cash bonus plan outcomes for bp cash bonus plan participants from performance year 2026.

Where an acquisition has been excluded for an initial transitionary period, there will still be careful consideration of safety performance within this business during the performance period. Where a workforce fatality has occurred, the committee will consider the individual incident – alongside input from the S&SC – and will determine whether a downward adjustment to bonus outcomes for the specific business is appropriate.

Overriding discretion

Alongside this framework, the committee will retain the right to exercise discretion and will review the formulaic outcome against broader considerations. While the committee has ultimate discretion with regards to the level of adjustment that will be applied, typically adjustments will be made with reference to the range set out within our framework.

Details of any adjustment based on the framework will be provided in full retrospectively.

Measures for the 2024-26 performance shares (EDIP)

Provided below is a summary of the measures we have chosen for the 2024-26 performance share plan. The categories remain unchanged from the prior year, however the weighting on strategic progress has reduced from 25% to 20% following shareholder feedback. The weighting on relative TSR has increased from 20% to 25%, providing further alignment between executive directors and the wider shareholder experience.

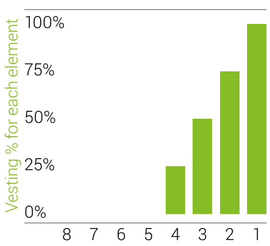
Under our ESG category, we are proposing to introduce a cumulative reduction % in operated carbon emissions measure. This is to provide direct alignment with bp's net zero ambition so that all operated emissions are captured. The weighting will remain unchanged at 15% to ensure a meaningful percentage of the EDIP is focused on operational emissions reduction and performance.

For strategic progress, as referenced in the chair's statement, the committee has reflected on how performance will be assessed under this measure. While the strategic pillars remain unchanged, and following feedback from shareholders, a greater focus will be placed on value-driven objectives and financial resilience within our transition growth engines. In assessing final strategic progress outcomes, a holistic review of performance will be undertaken and outcomes will be aligned with the overall shareholder experience.

rTSR

25%

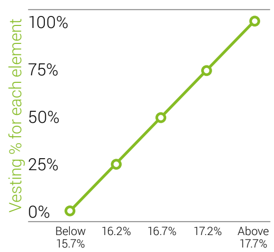
Peer group of seven companies: Chevron, Eni, Equinor, ExxonMobil, Repsol, Shell and TotalEnergies (and bp)[a]



Financials

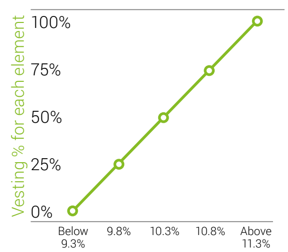
20%

ROACE (average 2024-26)[b]



20%

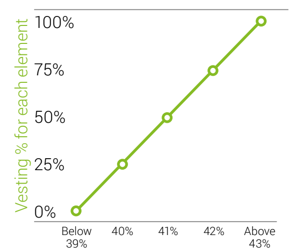
Adjusted EBIDA per share CAGR[c]



Environmental, social and governance

15%

Cumulative reduction % in operated carbon emissions[d]



Strategic progress

20%

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.

- 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 the average over 2024, 2025 and 2026. Score to be based on straight-line interpolation between threshold and maximum. Adjustments may be required in certain circumstances. The external environment to be a considered judgement in the final outcome.
c Targets will be adjusted for mergers, acquisitions and disposals outside of plan. The committee may consider share buyback activity before making a final judgement.
d Scope 1 and 2 GHG emission reductions versus 2019 baseline from operated carbon emission including portfolio change.

★ See glossary on **page 373**

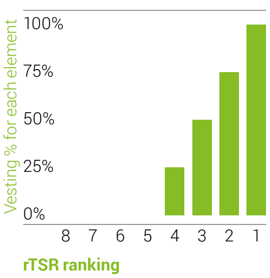
Having reflected on the counsel received from shareholders, we disclose below the measures and weightings for each of our in-flight awards.

Measures for 2022-24 performance shares

rTSR

20%

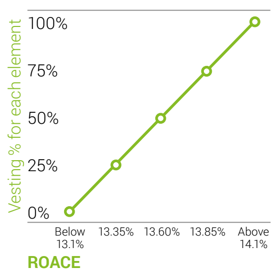
Peer group of seven companies: Chevron, Eni, Equinor, ExxonMobil, Repsol, Shell and TotalEnergies (and bp)



Financials

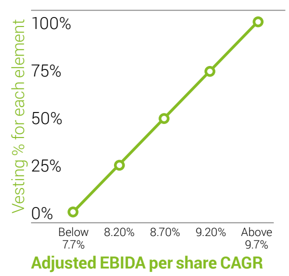
20%

ROACE
(average 2022-24)



20%

Adjusted EBIDA per share CAGR



Strategic progress

40%

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.

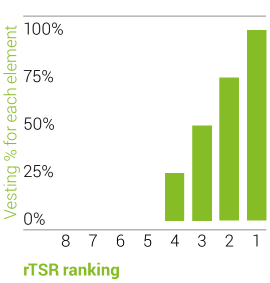
See **page 24** for key performance indicators related to the strategic progress measures.

Measures for 2023-25 performance shares

rTSR

20%

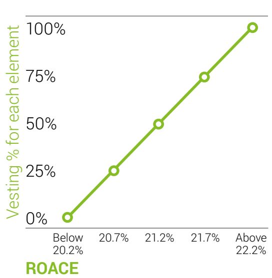
Peer group of seven companies: Chevron, Eni, Equinor, ExxonMobil, Repsol, Shell and TotalEnergies (and bp)



Financials[a]

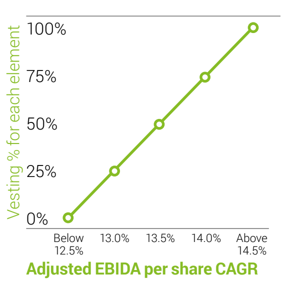
20%

ROACE
(average 2023-25)



20%

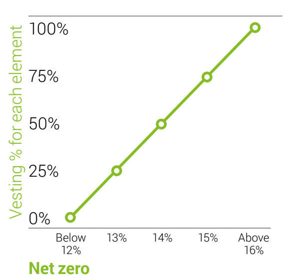
Adjusted EBIDA per share CAGR



Environmental, social and governance[b]

15%

Net zero across entire bp operations by 2050 (Scope 1 + 2)



Strategic progress

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.

See **page 24** for key performance indicators related to the strategic progress measures.

Given the fluidity of our strategy and ever changing energy environment, the committee intends to review strategic progress primarily through value-driven criteria for outstanding awards. See **page 118** for further detail.

a For the 2023-25 performance shares, the targets for ROACE and adjusted EBIDA per share CAGR were incorrectly reported in the 2022 directors' remuneration report. These figures have been updated to reflect the actual targets agreed by the committee last year.
b Scope 1 and 2 GHG emissions reductions versus 2019 baseline from permanent operational interventions, excluding reductions associated with portfolio changes.

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 under the policy. Kate Thomson is building towards 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.

	Directors' ordinary shares or equivalents at 16 Feb 2024	Aggregated interests at 16 Feb 2024, all plans						
		Unvested awards not subject to performance conditions		Unvested awards subject to performance conditions		Current shareholding for MSR[b]	Value of current shareholding[c], £	Multiple of salary achieved[d]
		Shares[a]	Options	Shares	Options			
Murray Auchincloss[e]	793,786	1,417,533	155,872	1,655,458	—	1,396,411	6,591,060	6.4
Kate Thomson	192,358	294,530	500,000	161,950	—	348,458	1,644,722	2.1
Bernard Looney[f]	1,348,866	—	—	—	—	1,348,866	6,366,648	4.4

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 16 February 2024 of £4.72.
d As described on **page 114**, a pro-rata salary has been used to calculate the multiple of salary achieved for Murray Auchincloss.
e Includes interests of a person closely associated with Murray Auchincloss.
f Bernard Looney stepped down from the board on 12 September 2023. His interest in shares is shown up to 31 December 2023. He is required to hold his in-employment shareholding guideline, or actual shareholding if lower, for two years post-cessation of employment, as required by the shareholder approved-remuneration policy. His multiple of salary achieved reduced from the figure reported in the 2022 DRR due to share price movements and the impact of forfeited awards. See **page 127** for further details.

Executive directors have additional interests in performance, restricted and deferred bonus shares. These interests are shown in aggregate in the table above, and by plan 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 shares (audited)

			Share element interests						
			Potential maximum performance shares[a]				Interests to vest in 2024		
	Performance period	Date of award of performance shares	At 1 Jan 2023	Awarded 2023	Lapsed 2023	At 31 Dec 2023	Number of ordinary shares due to vest	Vesting date	Face value of award[b], £
Murray Auchincloss	2021-23[c]	1 Jun 2021	1,122,009	—	—	1,122,009	943,565	Jun 2024	—
	2022-24[d]	26 May 2022	937,500	—	—	937,500	—	May 2025	—
	2023-25[d]	2 May 2023	—	717,958	—	717,958	—	May 2026	3,503,635
Bernard Looney[e]	2021-23	1 Jun 2021	2,218,853	—	2,218,853	—	—	n/a	—
	2022-24	26 May 2022	1,813,175	—	1,813,175	—	—	n/a	—
	2023-25	2 May 2023	—	1,368,828	1,368,828	—	—	n/a	6,679,881

a For awards under the 2021-23 plans performance conditions were measured 20% on TSR relative to Chevron, ExxonMobil, Shell, Total, ENI, Equinor and Repsol ('comparator companies') over three years, 20% ROACE averaged over performance period, 20% adjusted EBIDA per share CAGR measured versus June 2020 and 40% on strategic progress assessed over the performance period.
For awards under the 2022-24 plans performance conditions are measured 20% on TSR relative to the comparator companies over three years, 20% ROACE averaged over the performance period, 20% adjusted EBIDA per share CAGR measured versus year ended June 2020 and 40% on strategic progress assessed over the performance period.
For awards under the 2023-25 plans performance conditions are measured 15% on our aim 1 net zero ambition, 20% on TSR relative to the comparator companies over three years, 20% ROACE averaged over the performance period, 20% adjusted EBIDA per share CAGR measured versus year ended June 2020 and 25% on strategic progress assessed over the performance period.
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 safety and sustainability committee.
Each performance period ends on 31 December of the third year.
b The face value of awards granted during 2023 have been calculated using market prices of ordinary shares at closing on the date of the award, as follows; £4.88 on 2 May 2023.
c Represents unvested shares, which will vest during 2024 but are not subject to further performance conditions, achieved under rules of the plan and includes notional dividends accrued up to 16 February 2024. Murray's award is due to vest on 3 June 2024, three years after the date of award. The average share price during 4Q 2023 was £4.93 for each share. The amount reported as 2023 income on the single figure table is therefore £4.652m for Murray.
d Minimum vesting under these awards (below threshold performance) is 0%. At threshold performance of each measure, vesting would be 5% of maximum for 2022-24 and 2023-25. The 2024 performance share award under EDIP is expected to be made following the conclusion of the 2024 annual general meeting.
e Bernard Looney stepped down from the board on 12 September 2023. His interest in shares is shown up to 31 December 2023.

Restricted shares (audited)

	Restricted period	Date of award of restricted shares	Share element interests Number of restricted shares At 1 Jan 2023	Awarded 2023	At 31 Dec 2023	Face value of award[a], £
Murray Auchincloss	2018-22[bc]	20 Mar 2018	43,170	—	—	—
	2020-22[cd]	28 Aug 2020	4,840	—	—	—
	2021-23[d]	25 Mar 2021	21,277	—	21,277	—
	2021-23[d]	16 Jun 2021	10,485	—	10,485	—
	2022-24[d]	22 Mar 2022	10,066	—	10,066	—
	2022-24[d]	17 Jun 2022	11,565	—	11,565	—
	2023-25[d]	7 Jun 2023	—	8,630	8,630	40,906

a The face value of awards granted during 2023 have been calculated using market prices of ordinary shares at closing on the date of the award, as follows; £4.74 on 7 June 2023.
b Award made under the Restricted Share Plan II prior to appointment as a director.
c Awards vested and were released on 15 February 2023.
d Interests of person closely associated with Murray Auchincloss.

Deferred shares (audited)

	Bonus year	Restricted period	Date of award of deferred shares	Deferred share element interests Potential maximum deferred shares At 1 Jan 2023	Awarded 2023	Lapsed 2023	At 31 Dec 2023	Face value of award[a], £
Murray Auchincloss	2021	2022-24[b]	16 Feb 2022	164,569	—	—	164,569	—
	2021	2022-24[c]	22 Mar 2022	7,046	—	—	4,698	—
	2022	2023-25[c]	21 Mar 2023	—	10,761	—	10,761	54,128
	2022	2023-25[b]	2 May 2023	—	87,584	—	87,584	427,410
Bernard Looney[d]	2021	2022-24	16 Feb 2022	292,902	—	292,902	—	—
	2022	2023-25	2 May 2023	—	147,567	147,567	—	720,127

a The face value of awards granted during 2023 have been calculated using market prices of ordinary shares at closing on the dates of the awards, as follows; £5.03 on 21 March 2023 and £4.88 on 2 May 2023.
b There is no identified minimum vesting threshold level. The 2023 bonus year deferred shares award under EDIP is expected to be made following the conclusion of the 2024 annual general meeting.
c Interests of person closely associated with Murray Auchincloss. Award made under the IST Deferred Annual Bonus Plan.
d Bernard Looney stepped down from the board on 12 September 2023. His interest in shares is shown up to 31 December 2023.

Share interests in share option plans (audited)

In common with many of our UK employees, executive directors may hold options under the bp group Save As You Earn (SAYE) scheme as shown below. These options are not subject to performance conditions.

	Option type	At 1 Jan 2023	Awarded 2023	Exercised 2023	Lapsed 2023	At 31 Dec 2023[a]	Option price	Market price at date of exercise	Date from which first exercisable	Expiry date
Murray Auchincloss	SAYE[b]	3,614	—	3,614	—	—	£2.49	£5.03	01 Sep 2023	28 Feb 2024
	SAYE[b]	3,571	—	—	—	3,571	£2.52	—	01 Sep 2024	28 Feb 2025
	Reinvent bp[b]	150,000	—	—	—	150,000	£3.15	—	11 Mar 2025	10 Mar 2031
	SAYE[b]	—	2,301	—	—	2,301	£3.91	—	01 Sep 2026	28 Feb 2027
Bernard Looney[c]	SAYE	6,024	—	—	6,024	—	£2.49	—	n/a	n/a
	SAYE	5,952	—	—	5,952	—	£2.52	—	n/a	n/a

a The closing market price of an ordinary share on 29 December 2023 was £4.66. During 2023 the highest market price was £5.68, and the lowest market price was £4.50.
b Interests of person closely associated with Murray Auchincloss.
c Bernard Looney stepped down from the board on 12 September 2023. His interest in options is shown up to 31 December 2023.

Bernard Looney had, and Murray Auchincloss has, no interests in bp preference shares, debentures or option plans (other than as listed above), and neither did, nor do, they have interests in shares or loan stock of any subsidiary company.

Directors and leadership team

No directors or other leadership team members own more than 1% of the shares in issue. At 16 February 2024, our directors and leadership team members collectively held interests of 6,225,244 ordinary shares or their calculated equivalents, 3,654,106 restricted share units (with or without conditions) or their calculated equivalents, 5,588,712 performance shares or their calculated equivalents and 6,935,858 options over ordinary shares or their calculated equivalents, under bp group share option schemes.

Payments to past directors and for loss of office

Departure terms for Bernard Looney (audited)

As set out elsewhere in the report, Bernard Looney stepped down from the board with immediate effect on 12 September 2023. After due consideration, the board concluded that Bernard Looney's actions amounted to serious misconduct and he was dismissed without notice effective 13 December 2023. This decision had the effect of bringing his notice period to an immediate end.

The following provides further detail on his remuneration arrangements[a]:

Salary and benefits	In line with the shareholder-approved remuneration policy, Bernard Looney continued to receive salary, cash allowance in lieu of pension and benefits during the period 12 September 2023 to 13 December 2023 with a total value of £424,000. On 13 December 2023 his notice period came to an immediate end and he ceased to be entitled to any form of fixed pay, including cash allowance in lieu of pension, in respect of the period from this date onwards.
2023 annual bonus	Bernard Looney will not receive an annual bonus in respect of the 2023 financial year. Taking into account the performance outcome of 79.5% of maximum, this would have amounted to £2,591,000 for the full year (against the maximum of £3,258,000 included in the 13 December 2023 announcement).
Outstanding share awards	**Performance share awards** Bernard Looney's unvested performance share awards under the EDIP – 2022-24 and 2023-25 – lapsed in full on cessation of employment. This amounts to a maximum value of £14,667,000. The performance share awards under the 2021-23 EDIP also lapsed in full. Taking into account the performance outcome of 75% of maximum, this would have amounted to £7,671,000 for the performance period (against the maximum of £10,228,000 that was included in the 13 December 2023 announcement for this award). **Deferred bonus awards** Bernard Looney's unvested deferred annual bonus share awards under the EDIP – from the 2021 and 2022 annual bonus awards – lapsed in full on cessation of employment. This amounts to £2,030,000. Note, these totals do not take into consideration any accrued dividends over the period. For the 2021-23 EDIP award, this would have amounted to £930,000.
Recovery provisions	Reflecting the decision by the board that Bernard Looney should not retain any variable pay relating to service following the date of the misleading assurances he gave to the board (July 2022), discretionary clawback has been applied to the following awards: **2022 annual bonus** Bernard Looney has repaid 50% of the cash portion of the annual bonus paid to him in respect of the financial year 2022 (net of tax). This amounts to £420,000. **2020-22 performance share awards** Bernard Looney has forfeited 6/36ths of his shares that vested in August 2023 from the 2020-22 performance share plan under the EDIP (net of tax). This amounts to £529,000. In practice, clawback has been enforced by reducing the number of the former CEO's vested shares currently in the holding period from the 2020-22 EDIP award.

a In line with the press release on 13 December 2023, the values of the share awards have been calculated using the closing price on 12 December 2023 of £4.61. All values are before tax unless stated otherwise. Figures have been rounded to the nearest thousand and, as such, totals may not agree exactly with the sum of the component parts.

Bernard Looney is required to hold his in-employment shareholding guideline, or actual shareholding if lower, for two years post-cessation of employment, as required by the shareholder-approved remuneration policy.

His separation terms were made in line with the shareholder-approved remuneration policy. He did not receive any other payments in relation to the termination of his employment.

Post-employment benefits (audited)

Bob Dudley and Brian Gilvary were provided with tax return preparation support amounting to £4,018 and £12,000 respectively and Bob Dudley was provided with corporate hospitality amounting to £1,091.

We made no other payments within the scope of the disclosure requirements to any past director of bp during 2023 (we have no de minimis threshold for such disclosures).

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.

As provided for under the 2023 policy, fee levels are reviewed annually alongside the wider workforce salaries and any changes that are agreed are put into effect from 1 April each year. Taking all factors into consideration, for 2024 the board agreed to implement a 4.5% increase to the base fee for its NEDs and for the senior independent director, aligned to the salary increase budget for the UK wider workforce. Oversight and 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 non-executive board members.

Following board and remuneration committee approval, the remuneration arrangements for the chair and NEDs will be adjusted with effect from 1 April 2024 as per the below table.

£ thousand per annum	2024/25 fees	2023/24 fees
Chair	854	817
Senior independent director[a]	174.5	167
Board member	125.5	120
Audit, remuneration and safety and sustainability committees chairship fees[b]	35	35
Committee membership fee	20	20

a The senior independent director is eligible for committee chairship and membership fees, but has waived her entitlement to the fee for membership of the people and governance committee. Fee includes board member fee.
b Committee chairs do not receive an additional membership fee for the committee they chair.

2023 remuneration (audited)

The table below shows the fees paid and applicable benefits for the year ended 31 December 2023. Benefits include travel and other expenses relating to the attendance at board and other meetings both inside and outside bp's headquarters in the UK. 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. Taxable benefit changes for the chair in 2023 principally arose as a result of additional travel commitments in relation to his bp duties.

	Fees		Benefits		Total[a]	
£ thousand	2023	2022	2023	2022	2023	2022
Dame Amanda Blanc[b]	159	38	2	0	161	38
Pamela Daley	159	155	67	65	226	220
Helge Lund (Chair)	809	785	66	37	875	822
Melody Meyer[c]	184	180	29	34	213	214
Tushar Morzaria[d]	174	170	3	6	177	176
Hina Nagarajan[b]	116	—	32	—	148	—
Satish Pai[b]	116	—	39	—	155	—
Paula Rosput Reynolds	220	215	20	23	240	238
Karen Richardson[e,f]	178	160	18	23	196	183
Sir John Sawers[g]	174	170	7	4	181	174
Johannes Teyssen[c]	149	145	15	14	164	159

a Due to rounding, the totals may not agree exactly with the sum of the component parts.
b Dame Amanda Blanc was appointed on 1 September 2022, and Hina Nagarajan and Satish Pai were appointed on 1 March 2023.
c Fee includes £10,000 p.a. for being a member of the bp geopolitical advisory council.
d Due to an administrative error Tushar Morzaria received an overpayment of £6,000 during 2022, which was recovered in 2023. These payments have been excluded for consistency.
e Fee includes £25,000 p.a. for chairing the bp digital advisory council.
f Fee includes £25,000 p.a. for chairing the bp innovation advisory council, which was undertaken until 31 July 2023.
g Fee includes £15,000 p.a. for chairing the bp geopolitical advisory council.

Chair and non-executive directors' interests (audited)

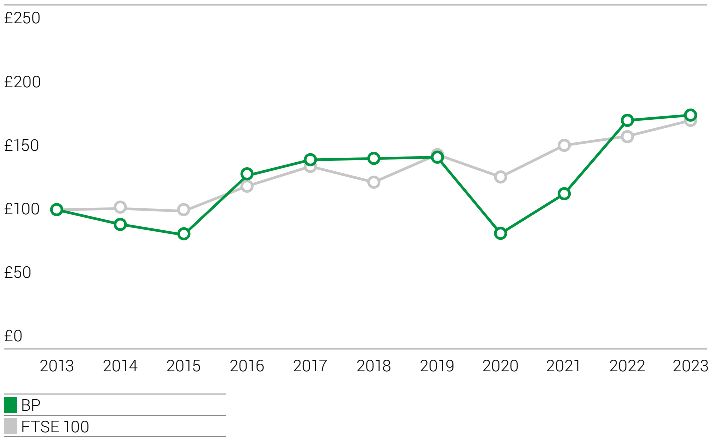
The figures below include all the beneficial and non-beneficial interests of the chair and each non-executive director (NED) of the company in shares of bp (or calculated equivalents) that have been disclosed according to the disclosure guidance and transparency rules in the Financial Conduct Authority handbook ('the DTRs') as at the applicable dates. 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					
	At 1 Jan 2023	At 31 Dec 2023	Changes to 16 Feb 2024	At 16 Feb 2024	Value of current shareholding[a]	% of guideline achieved
Dame Amanda Blanc	23,500	23,500	—	23,500	£110,920	92%
Pamela Daley	40,332	40,332	—	40,332	$238,295	160%
Helge Lund (Chair)	600,000	600,000	—	600,000	£2,832,000	347%
Melody Meyer	20,646	20,646	—	20,646	$121,983	82%
Tushar Morzaria	71,972	71,972	—	71,972	£339,708	283%
Hina Nagarajan[b]	—	10,000	—	10,000	£47,200	39%
Satish Pai[b]	—	12,000	—	12,000	$70,900	48%
Paula Rosput Reynolds	78,378	78,378	—	78,378	$463,083	311%
Karen Richardson	29,316	29,316	—	29,316	$173,209	116%
Sir John Sawers	24,242	24,242	—	24,242	£114,422	95%
Johannes Teyssen	35,000	35,000	—	35,000	£165,200	138%

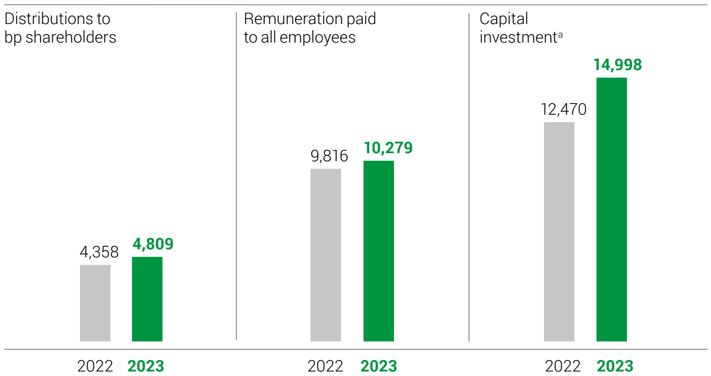
a Based on ordinary share and ADS prices at 16 February 2024 of £4.72 and $35.45 Where a US$ value is provided these shares are held as ADSs.
b Hina Nagarajan and Satish Pai were appointed on 1 March 2023.

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 2013 to 31 December 2023.

History of chief executive officer remuneration

Year	Chief executive officer	Total remuneration, thousand	Annual bonus % of maximum	Performance shares % of maximum
2014	Bob Dudley	$16,390	73.3	63.8
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[b]	Bernard Looney	£10,331	75.5	54
2023[cd]	**Bernard Looney**	**£1,175**	**n/a**	**n/a**
	Murray Auchincloss	**£5,680**	**79.5**	**75**

a 2020 figures show remuneration for the periods of qualifying service as CEO during 2020.
b 2022 figure updated based on the actual share price used for vesting of £4.86.
c Share price has been based on the average share price over Q4 of the 2023 FY of £4.93.
d 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 variable pay, Bernard Looney did not receive any bonus or EDIP awards in respect of 2023. The total single figure shown in the table above excludes the impact of malus and clawback in order to provide a comparison with prior years. For further details of his treatment upon departure, please see **page 127**. For Murray Auchincloss, his total single figure has been pro-rated to show the period worked as interim CEO during the year except for his long-term share award which has been shown in full.

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[b]	Option A	421:1	172:1	69:1
2023[cd]	**Option A**	**268:1** **£25,535** **(£25,080)**	**103:1** **£66,822** **(£48,433)**	**45:1** **£150,704** **(£80,525)**

a Bob Dudley's pay has been converted from US dollars as per the ratios reported in the 2019 and 2020 annual reports.
b Share price for the CEO share plan vesting has been updated based on the actual share price used for vesting of £4.86.
c Share price for the CEO share plan vesting has been based on the average share price over 4Q of the 2023 FY of £4.93.
d 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.

This is our fifth year reporting the CEO pay ratio following the requirements introduced in 2018. As per the past four 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 2023.

Changes in 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 five years. This volatility in the pay ratio reporting from year to year is expected, and illustrates one of the challenges in commenting on whether pay differentials are appropriate. In 2023 the 50th percentile pay ratio decreased from 172:1 to 103:1. This was driven by the former CEO not receiving any variable pay in respect of 2023, as he was not paid any annual bonus in respect of 2023 and his 2021-23 EDIP lapsed in full on departure. For further details of his treatment upon departure, please see **page 127**. It is the view of the committee that the remuneration frameworks we have in place for the executive directors and the wider workforce are fit-for-purpose and deliver pay outcomes appropriate to the circumstance of the year, with differentials that reflect the relative contributions made at different levels in our 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.

Taxable benefit changes for the chair in 2023 principally arose as a result of additional travel commitments in relation to his bp duties, and for the current CEO as a result of transitional changes to the car-related benefit, as approved by the committee.

	2023 v 2022			2022 v 2021			2021 v 2020			2020 v 2019		
Percentage change for[a]:	a	b	c	a	b	c	a	b	c	a	b	c
Employees	6%	1%	4%	2%	1%	45%	7%	-9%	100%	0%	0%	-100%
Bernard Looney[b]	-27%	-60%	-100%	4%	233%	-2%	2%	-29%	100%	—	—	—
Murray Auchincloss[c]	30%	283%	31%	7%	530%	3%	5%	5%	100%	—	—	—
Dame Amanda Blanc[d]	38%	100%	n/a	—	—	n/a	—	—	n/a	—	—	n/a
Pamela Daley	2%	2%	n/a	7%	43%	n/a	4%	1385%	n/a	-15%	-92%	n/a
Helge Lund (chair)	3%	78%	n/a	0%	97%	n/a	0%	-24%	n/a	0%	-74%	n/a
Melody Meyer	2%	-14%	n/a	13%	139%	n/a	-4%	283%	n/a	9%	-77%	n/a
Tushar Morzaria[c]	2%	-46%	n/a	25%	100%	n/a	5%	0%	n/a	—	—	n/a
Hina Nagarajan[e]	—	—	n/a	—	—	n/a	—	—	n/a	—	—	n/a
Satish Pai[e]	—	—	n/a	—	—	n/a	—	—	n/a	—	—	n/a
Paula Rosput Reynolds	2%	-14%	n/a	16%	145%	n/a	6%	228%	n/a	2%	-92%	n/a
Karen Richardson[f]	11%	-20%	n/a	30%	96%	n/a	—	—	n/a	—	—	n/a
Sir John Sawers	2%	105%	n/a	17%	1%	n/a	0%	1588%	n/a	0%	-83%	n/a
Johannes Teyssen[f]	3%	12%	n/a	21%	65%	n/a	—	—	n/a	—	—	n/a

a The resumption of bonus for 2021, and Tushar Morzaria's and Dame Amanda Blanc's taxable benefits for 2022 and 2023 respectively were, mathematically, infinite increases relative to the nil bonus for 2020 and nil taxable benefits for 2021 and 2022; we have shown the increases as 100% for illustration.
b Bernard Looney stepped down from the board on 12 September 2023 and his remuneration is shown up to this date.
c Murray Auchincloss and Tushar Morzaria were appointed to the board part-way through 2020 and therefore, other than for one-time items, their 2020 pay has been annualised for comparison.
d Dame Amanda Blanc was appointed to the board part-way through 2022 and therefore no comparison to 2021, 2020 or 2019 is available and, other than for one-time items, her 2022 pay has been annualised for comparison.
e Hina Nagarajan and Satish Pai were appointed to the board in 2023 and therefore no comparison to 2022, 2021, 2020 or 2019 is available.
f Karen Richardson and Johannes Teyssen were appointed to the board in 2021 and therefore no comparison to 2020 or 2019 is available.

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 2023 is set out in the remuneration committee report on **page 125**.

During 2023 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 and Ashok Pillai, SVP reward.

PricewaterhouseCoopers LLP (PwC) continued to provide independent advice to the committee in 2023. 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 provides 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 2023 (save in respect of legal advice) were £94,714 to PwC. Freshfields Bruckhaus Deringer 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 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 123**, remuneration aligns closely with bp's culture, as expressed through our purpose and ambition.

Shareholder engagement
Throughout 2023, 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 2024.

The table below shows the recent votes on the directors' remuneration report and policy.

Year	% vote 'for'	% vote 'against'	Votes withheld
2023 – Directors' remuneration report	81.95%	18.05%	179,106,094
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 2023 are shown below.

	Appointee company	Additional position held at appointee company	Total fees, £
Murray Auchincloss	Aker BP ASA[a]	Director	0
Kate Thomson	Aker BP ASA[a]	Director	0

a 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 8 March 2024.