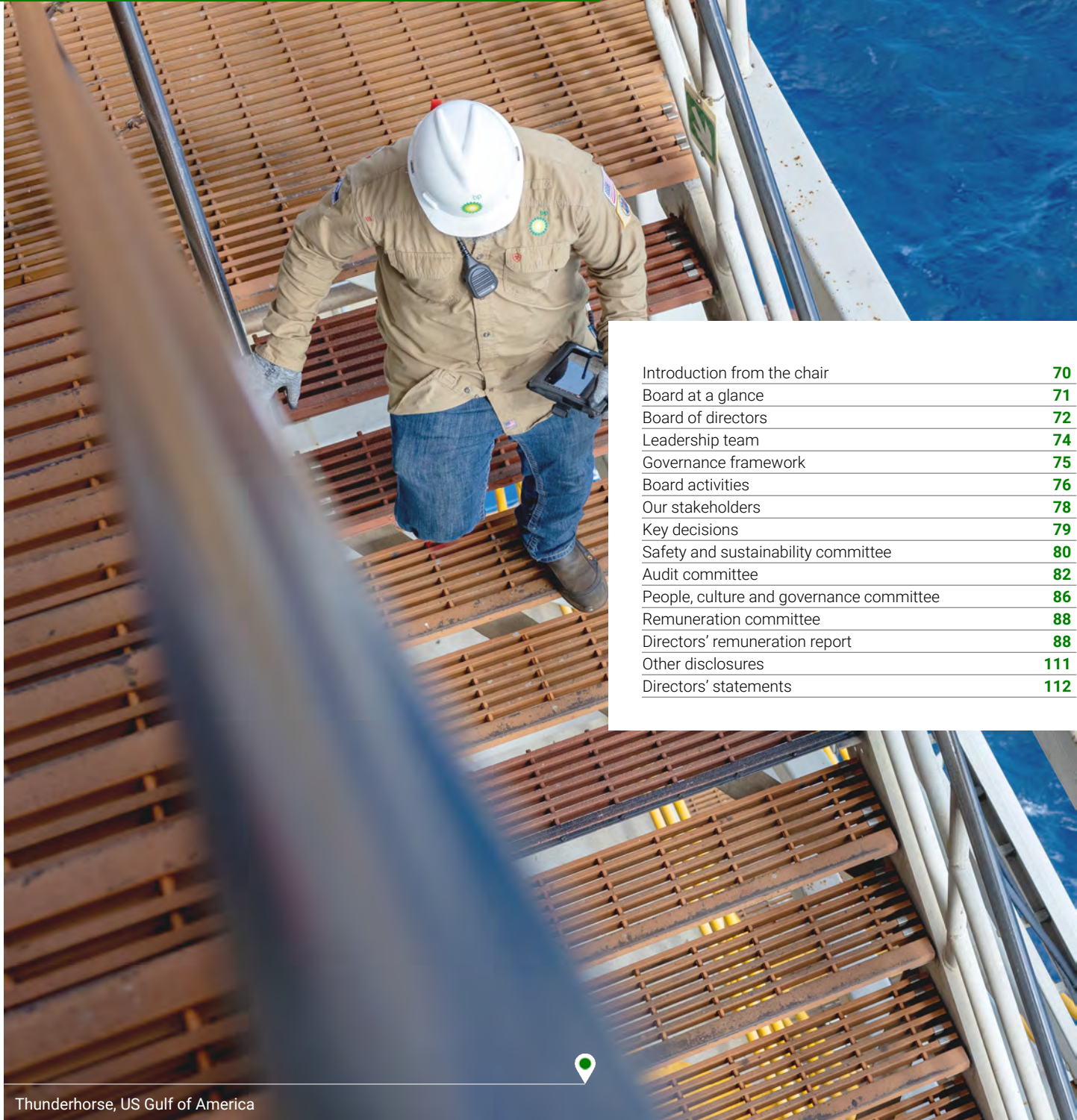


# Corporate governance



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Thunderhorse, US Gulf of America

## Introduction from the chair



“  
Our governance framework is designed to be dynamic, flexible and robust.”

### Dear fellow shareholders,

The role of a board as custodian of the company's assets has even greater significance in times of volatility, uncertainty and change. The unpredictable macro environment in 2024 offered both opportunities and challenges for global energy companies. Many of bp's businesses performed well but there were also challenges in parts of the customers & products business. Overall, it was a year of reshaping the portfolio and laying the foundations for bp's strategy reset in February 2025. The strategy we have set out provides clarity about direction and priorities, and the board will now focus its attention overseeing strategic execution and performance management.

### Evolving governance framework

The board's corporate governance framework is a robust basis to challenge and guide the leadership team in good times, but also in the tougher times we have experienced. It has been instrumental in helping the board to navigate multiple, rigorous discussions and – ultimately – the decisions we took in 2024, culminating, more recently, in February's strategy reset.

Our governance framework is designed to be dynamic, flexible and robust. This meant that when the new UK Corporate Governance Code was published at the start of 2024, we could largely deploy our existing processes to plan for meeting its requirements, adding elements where appropriate while avoiding duplication and minimizing extra work.

The terms of reference for the board and the board committees were updated in July, with further changes to the board and audit committee terms of reference in January 2025, reflecting the staggered timetable of the changes coming into force under the new code. Considering the new requirement for an internal control effectiveness statement, we intend to make this statement in 2027 in respect of our 2026 annual report, having sought appropriate external assurance.

### Meaningful engagement

Every year, we seek to engage widely with you, our shareholders, but also with our own people, partners, advisers and governments.

A highlight of 2024 was the board's trip to India. This was an invaluable experience for the board in a strategically significant region for bp. We travelled to three cities, meeting partners, suppliers and the government – and bp's teams working on lubricants, developing technical solutions and helping to run our operations safely (see [page 78](#)).

The board also met many other teams across the world, through our bespoke workforce engagement programme. This is designed to allow our directors to meet our people directly, throughout bp (see [page 78](#)).

Our 2024 workforce engagement agenda was aligned closely with the topics we discussed in reviewing and considering our strategic options at board meetings during the year. The views and feedback obtained played an important part in informing the board's decisions. This programme of listening to and working with our people will continue through 2025 – especially during an ongoing transformation programme.

### Progress on culture

The board places great importance in assessing and monitoring bp's culture. Whenever necessary, it seeks the leadership team's assurance that action will be taken should practices or behaviours not align with the company's culture frame, which sets out 'Who we are'. The board set up a temporary committee in 2023 to provide direct oversight on culture. It served bp well and its responsibilities have now been assumed by the people, culture and governance committee.

As chair of this committee, I am pleased with the start we have made in 2024 with the committee's expanded scope on culture and, in particular, with a focus on psychological safety and speaking up. We will seek to make further progress on this area during 2025 (for more on the people, culture and governance committee's work, see [page 86](#)).

### Board composition

The people, culture and governance committee is continuously working to identify potential candidates to join the board. The reset strategy bp announced in February 2025 provides the committee with a clear framework to identify new board members who will bring the additional skills and experience bp needs as it embarks on the next chapter.

### Closing thanks

I am grateful to my fellow board members for everything they have done this year – and everything they continue to do. On behalf of the board, I would also like to thank the leadership team and bp teams across the world for what they achieved in 2024, for their relentless focus on safety and their commitment to bp. And I will close by thanking you, fellow shareholders, for your support and your challenges. Your contributions improve the board's decision making – and help to improve bp.

**Helge Lund**  
Chair  
6 March 2025

## Board at a glance

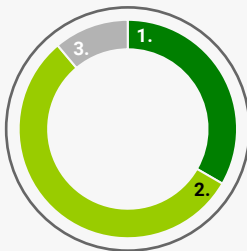
	Board meeting attendance		Committee membership				Skills and experience							
	8 scheduled	2 ad hoc	Audit	Remuneration	People, culture and governance	Safety and sustainability	Society, politics and geopolitics	Technology, digital and innovation	People leadership and organizational transformation	Operational excellence and risk management	Global business leadership and governance	Finance, risk and trading	Energy markets	Climate change and sustainability
<b>Non-executive directors<sup>a</sup></b>														
Helge Lund (Chair)	8/8	2/2			●		●	●	●	●		●	●	
Dame Amanda Blanc	8/8	2/2		●	●		●	●	●	●	●			●
Tushar Morzaria	8/8	2/2	●	●				●	●	●	●			
Melody Meyer <sup>b</sup>	8/8	1/2		●		●			●	●		●		●
Pamela Daley	8/8	2/2	●	●						●	●	●		
Hina Nagarajan	8/8	2/2	●		●			●	●	●	●			●
Satish Pai <sup>c</sup>	7/8	2/2				●		●	●	●	●		●	●
Karen Richardson <sup>c</sup>	7/8	2/2	●					●	●	●	●			
Dr Johannes Teyszen	8/8	2/2			●	●	●		●	●	●		●	●

### Executive directors

Murray Auchincloss (CEO)	8/8	2/2
Kate Thomson (CFO) <sup>d</sup>	7/7	1/1

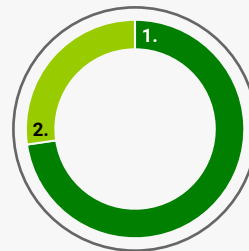
- Chair of the committee
- Member of the committee

### Non-executive directors' tenure



	March 2025	March 2024
■ 1. 1-3 years	3	6
■ 2. 4-6 years	5	3
■ 3. 7-9 years	1	2

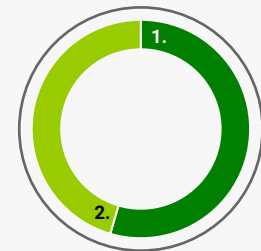
### Board ethnic diversity



	March 2025	March 2024
■ 1. White British or other white (including minority-white groups)	8	10
■ 2. Asian/Asian British	3	3

**3**  
directors who identify as from a minority ethnic background

### Board gender diversity



	March 2025	March 2024
■ 1. Female	6	7
■ 2. Male	5	6

**55%**  
of directors are female

a Paula Rosput Reynolds and Sir John Sawers stepped down from the board on 25 April 2024 and attended all meetings held prior to this date.  
 b Melody was unable to attend the ad hoc meeting in June due to an existing external commitment.  
 c Satish and Karen were unable to attend the scheduled meeting in June due to existing external commitments.  
 d Kate was appointed to the board on 2 February 2024 and attended all meetings held after this date.



# Board of directors

As at 6 March 2025



**Helge Lund**  
Chair

**Appointed** Board: 26 July 2018; chair: 1 January 2019

**Nationality** Norwegian

**External appointments**

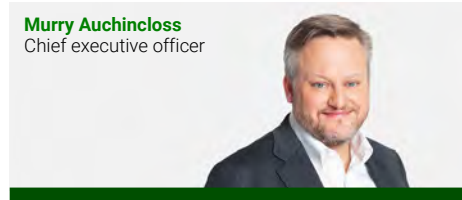
- Chair of Novo Nordisk AS.
- Operating advisor to Clayton Dubilier & Rice.
- Member of the Board of Trustees of the International Crisis Group.
- Member of the European Round Table for Industry.

**Significant past appointments**

- Chief executive of BG Group.
- President and chief executive officer of Equinor and Aker Kvaerner.
- Executive of Aker RGI and Hafslund Nycomed.
- Non-executive director of Schlumberger and Nokia.
- Consultant at McKinsey & Company.
- Parliamentary group political advisor of the Conservative party, Norway.

**Key skills and experience**

- Distinguished career as a leader in the energy sector with deep industry knowledge and global business experience.
- Drives cohesion, constructive challenge and oversight of bp's strategy through forward looking leadership of the board.



**Murry Auchincloss**  
Chief executive officer

**Appointed** Executive director: 1 July 2020; chief executive officer: 17 January 2024

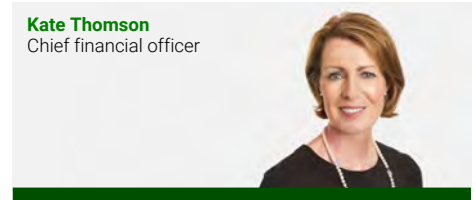
**Nationality** Canadian and British

**Significant past appointments**

- Joined Amoco in 1992 and then bp when the two companies merged in 1998.
- Senior roles in finance and management at bp, across tax, business development, mergers and acquisitions and performance management.
- Chief of staff to bp chief executive officer.
- CFO BP p.l.c.

**Key skills and experience**

- Drives bp's strategy as an integrated energy company and has extensive experience and knowledge of the energy sector.
- Provides deep insight into bp's assets and businesses through broad experience across the group, extensive financial expertise and experience.



**Kate Thomson**  
Chief financial officer

**Appointed** 2 February 2024

**Nationality** British

**External appointments**

- Board member of Aker BP ASA.
- Member of the European Round Table for CFOs.
- Member of the 100 Group Main Committee.

**Significant past appointments**

- Joined bp in 2004.
- Group head of tax, BP p.l.c.
- Group treasurer, BP p.l.c.
- SVP finance for production & operations, BP p.l.c.

**Key skills and experience**

- Has a detailed understanding and experience of the energy sector and provides deep technical insight from her broad experience of leading teams across the group in tax, treasury and commercial finance.



**Dame Amanda Blanc**  
Senior independent director

**Appointed** 1 September 2022

**Nationality** British

**External appointments**

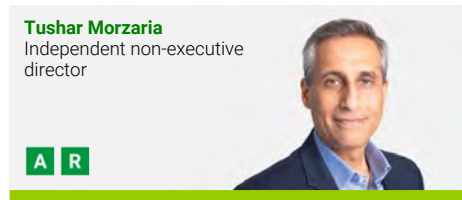
- CEO of Aviva plc.
- Member of the Association of British Insurers Board.

**Significant past appointments**

- Began career as a graduate at Commercial Union, one of Aviva's ancestor companies, and held several senior executive roles across the insurance industry.
- Group CEO at AXA UK, PPP & Ireland.
- CEO of Europe, Middle East, Africa & Global Banking at Zurich Insurance Group.
- Leadership positions at Groupama Insurance Company and Commercial Union.
- Member of the Prime Minister's Business Council.

**Key skills and experience**

- Experience leading insurance businesses in the UK and across Europe.
- Wide-ranging board, industry and regulatory experience.



**Tushar Morzaria**  
Independent non-executive director

**Appointed** 1 September 2020

**Nationality** British

**External appointments**

- Non-executive director of Legal & General Group plc.
- Non-executive director of BT Group plc.

**Significant past appointments**

- Various senior roles at JP Morgan, including CFO of its Corporate & Investment Bank.
- Group finance director and member of the board of Barclays PLC 2013 to 2022.
- Non-executive chairman of EMEA Investment Banking, Barclays until 2024.

**Key skills and experience**

- Over 25 years of strategic financial management, investment banking, operational and regulatory experience.
- Breadth of knowledge and insight into financial, tax, treasury, investor relations and strategic matters and strong experience in delivering corporate change programmes while maintaining a focus on performance.



**Melody Meyer**  
Independent non-executive director

**Appointed** 17 May 2017

**Nationality** American

**External appointments**

- Non-executive director of AbbVie Inc.
- Non-executive director of Airtswift Parent LLC.

**Significant past appointments**

- President of Chevron Asia Pacific E&P until 2016 after 37 years of service in key leadership roles in global exploration and production.

**Key skills and experience**

- Deep understanding of the factors influencing safe, efficient and commercially high-performing projects in a global organization.
- Expertise in the execution of major capital projects, technology, R&D, creation of businesses in new countries, strategic business planning, merger integration, leading change, and safe and reliable operations.

**Committee members key**

	Chair		Audit committee		Safety and sustainability committee		Remuneration committee		People, culture and governance committee
--	-------	--	-----------------	--	-------------------------------------	--	------------------------	--	--

**Pamela Daley**  
Independent non-executive director



**Appointed** 26 July 2018

**Nationality** American

**External appointments**

- Director of BlackRock, Inc.

**Significant past appointments**

- Various senior executive roles at General Electric Company (GE), including senior vice president of business development 2004 to 2013.
- Senior vice president and senior advisor to the chair at GE in 2013.
- Director of BG Group plc 2014 to 2016.
- Director of Patheon N.V. 2016 to 2017.
- Partner at Morgan, Lewis & Bockius.
- Director of SecureWorks, Inc. 2016 to 2025.

**Key skills and experience**

- Board-level experience of the UK oil and gas industry and executive experience in highly regulated industries.
- Qualified lawyer with a wealth of global business and strategic experience.

**Karen Richardson**  
Independent non-executive director



**Appointed** 1 January 2021

**Nationality** American

**External appointments**

- Partner at Artius Capital Partners.
- Non-executive director of Artius II Acquisition Inc.
- Non-executive director (lead independent director) of Exponent, Inc.

**Significant past appointments**

- Senior operating roles in the public and private technology sector.
- Vice president of sales at Netscape Communications Corporation 1995 to 1998.
- Senior executive roles at E:ipihany from 1998, including CEO 2003 to 2006.
- Non-executive director of BT plc 2011 to 2018.
- Director of Worldpay Inc. (Worldpay Group plc) 2016 to 2019.
- Chair of Origin Materials Inc. 2021 to 2024.

**Key skills and experience**

- Extensive knowledge of digital, technology, cyber and IT security matters.
- 30 years' technology industry experience including working with innovative Silicon Valley companies.

**Satish Pai**  
Independent non-executive director



**Appointed** 1 March 2023

**Nationality** Indian

**External appointments**

- Managing director of Hindalco Industries Limited.
- Director of Novelis Inc.
- Non-executive director, Aditya Birla Management Corporation Ltd.
- Director, Indian Institute of Metals.

**Significant past appointments**

- Executive vice president, worldwide operations and other engineering and management roles at Schlumberger across 28 years of service.

**Key skills and experience**

- Accomplished and transformative executive with operations and technology experience in the resources and energy industries.
- Strong digital capability and experience.

**Hina Nagarajan**  
Independent non-executive director



**Appointed** 1 March 2023

**Nationality** Indian

**External appointments**

- Managing director and CEO of United Spirits Limited (Diageo India).
- Member of the global executive committee of Diageo plc.
- Board member of The Advertising Standards Council of India.
- Director and co-chair of International Spirits and Wines Association of India.

**Significant past appointments**

- Leadership positions at Reckitt, Mary Kay India and Nestlé India with over 30 years in the fast-moving consumer goods (FMCG) industry.
- Non-executive director at two companies which were publicly quoted at the time: Guinness Ghana Breweries Plc and Seychelles Breweries Limited.

**Key skills and experience**

- Deep and wide-ranging experience in customer-focused FMCG businesses in complex emerging markets.
- Extensive experience in assessing climate-related risks and opportunities.

**Dr Johannes Teysen**  
Independent non-executive director



**Appointed** 1 January 2021

**Nationality** German

**External appointments**

- Senior advisor to Kohlberg Kravis Roberts.
- President of Alpiq Holding Ltd.
- Senior advisor to Viridor Limited.

**Significant past appointments**

- Several leadership positions at VEBA AG (merged with VIAG AG in 2000 and renamed to E.ON AG and later to E.ON SE).
- Member of the board of management of the E.ON Group's central management company in Munich in 2001 and E.ON SE in 2004.
- Vice-chair of E.ON SE, 2008 and CEO, 2010 to 2021.
- President of Eurelectric 2013 to 2015.
- Vice-chair of the World Energy Council, responsible for Europe, 2006 to 2012.
- Member of the supervisory board of Salzgitter AG 2006 to 2016 and Deutsche Bank AG 2008 to 2018.

**Key skills and experience**

- Extensive experience and deep knowledge of the energy sector and its continuing transformation.
- Considerable knowledge and experience of climate-related risk oversight.

**Ben J S Mathews**  
Company secretary



**Appointed** 7 May 2019

**Role and career summary**

Ben joined bp as company secretary in May 2019. He is the co-chair of the Corporate Governance Council of the Conference Board and is a Fellow of the Chartered Governance Institute. Ben serves on the executive committee of the Association of General Counsel and Company Secretaries of the FTSE 100 (GC100), having previously served as its chair for four years.

Ben's global company secretary team is responsible for providing advice and support to the plc board and the boards of other legal entities in the bp group. The team's vision is to enhance stakeholder value through dynamic corporate governance.

Former appointments include Group Company Secretary of HSBC Holdings plc and Rio Tinto plc.

**For further detail on the directors' climate change and sustainability experience, see the TCFD section on page 43 and further biographical information for each director is available online at [bp.com/whoweare](https://bp.com/whoweare).**

# Leadership team

**William Lin**  
EVP gas & low carbon energy



**Leadership team tenure** Appointed on 1 July 2020

**Nationality** American

**Board memberships**

William is a non-executive director of Pan American Energy Group, the largest independent energy company in Argentina. He is also a member of the supervisory board for Corbion, a Dutch-listed global food ingredients and biochemicals company. He chairs Corbion's Sustainability & Safety Committee and is a member of the Audit Committee.

**Career summary**

William has worked at bp for 29 years and now leads the group's global natural gas and low carbon businesses and markets. Prior to this role, he held other senior management positions including the chief operating officer for upstream regions, regional president for Asia Pacific, and vice president for gas developments and operations for Egypt.

**Emma Delaney**  
EVP customers & products



**Leadership team tenure** Appointed on 1 July 2020

Emma previously served on bp's executive team starting on 1 April 2020

**Nationality** Irish

**Board memberships**

None

**Career summary**

Emma has spent 28 years working in bp, both in the upstream and the downstream. Prior to joining bp's executive team on 1 April 2020, she was regional president for West Africa. She has held a variety of senior roles including upstream chief financial officer for Asia Pacific and head of business development for gas value chains. In downstream she held roles in retail and commercial fuels and planning.

**Giulia Chierchia**  
EVP strategy, sustainability & ventures



**Leadership team tenure** Appointed on 1 July 2020

**Nationality** Belgian and Italian


**Board memberships**

Giulia is a non-executive director of Schneider Electric.

**Career summary**

Giulia joined bp in April 2020 as EVP strategy, sustainability & ventures. In her role, Giulia drives bp's strategy and sustainability agenda and embeds the group's ethics and compliance within the organization. She oversees bp's venturing investments business, which supports bp's transition and net zero ambition. Prior to bp, she worked for McKinsey, where she was a senior partner. She led the global downstream oil and gas practice and was a key member of the chemicals, and electricity, power and natural gas practices, helping companies shape their strategies for the energy transition.

**Gordon Birrell**  
EVP production & operations



**Leadership team tenure** Appointed on 1 July 2020

Gordon previously served on bp's executive team starting on 12 February 2020.

**Nationality** British

**Board memberships**

Gordon is a non-executive director of Azule Energy Holdings Ltd.

**Career summary**

Before being appointed to his new role, Gordon was chief operating officer for production, transformation and carbon. In his bp career, Gordon has spent time in various leadership, technical, safety and operational risk roles, including four years as bp president Azerbaijan, Georgia and Türkiye. Gordon is a Fellow of the Royal Academy of Engineering.

**Emeka Emembolu**  
EVP technology



**Leadership team tenure** Appointed on 18 April 2024

**Nationality** British


**Board memberships**

None

**Career summary**

Emeka started his career working offshore as an engineer and has spent 25 years with bp. Prior to being appointed EVP technology, Emeka spent two years as chief of staff to the CEO. Before joining the executive office, he led bp's North Sea business as region SVP spearheading improvements in operational safety, driving efficiencies and growing the value of the business. Prior to that, he held a range of senior technical leadership roles in the Gulf of America, Canada, North Africa and Alaska and in the subsurface function.

**Carol Howle**  
EVP supply, trading & shipping



**Leadership team tenure** Appointed on 1 July 2020

**Nationality** British

**Board memberships**

None

**Career summary**

Before taking on her current role, Carol ran bp shipping and was the chief operating officer for integrated supply and trading, oil. She has more than 20 years' experience in the energy industry, and many in integrated supply and trading. Her previous roles include chief operating officer for natural gas liquids, regional leader of global oil Europe and finance. Carol also served as the head of the group chief executive's office.

**Kerry Dryburgh**  
EVP people, culture & communications



**Leadership team tenure** Appointed on 1 July 2020

**Nationality** British

**Board memberships**

None

**Career summary**

Kerry leads people, culture & communications at bp. Kerry previously headed HR for bp's upstream business while also serving as group chief talent officer. She has held a series of senior HR positions across the company, including running HR for bp's shipping, integrated supply and trading, and corporate functions. She brings vast experience from other sectors in Europe and Asia, having worked at both BT and Honeywell.

**Mike Sosso**  
EVP legal



**Leadership team tenure** Appointed on 1 January 2024

**Nationality** American

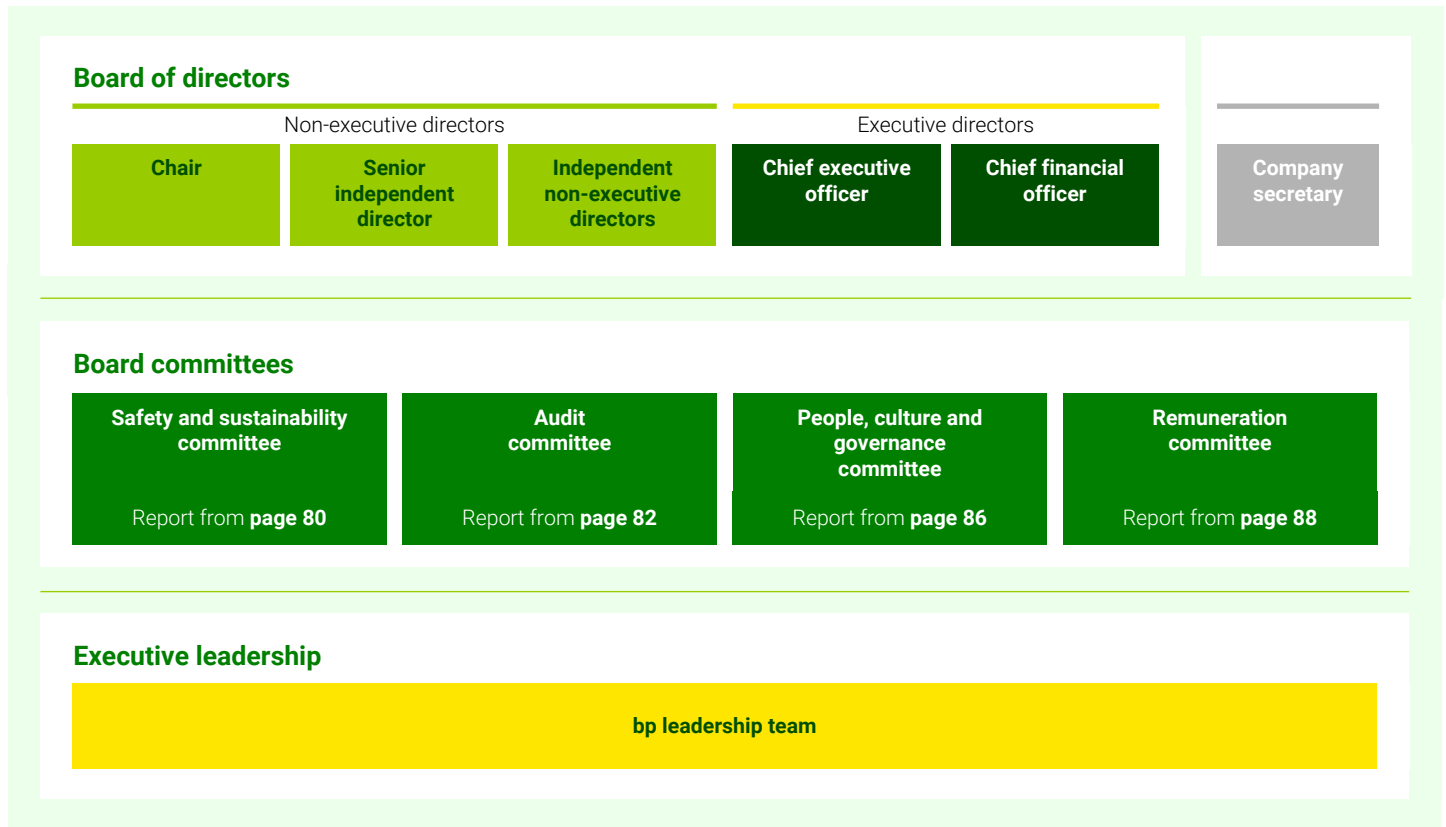
**Board memberships**

None

**Career summary**

Mike took on the role of EVP legal in January 2024. In his role, Mike is accountable for leading the legal function and executing the legal strategy for the group. Mike joined bp in 2011 and has held a number of leadership positions across legal. He also previously held the role of VP ethics and compliance. Prior to joining bp, Mike practised law in the Washington, DC office of Skadden, Arps, Slate, Meagher & Flom.

## Governance framework



bp's governance framework helps to drive informed and efficient decision making through a clear division of responsibilities. This enables bp to operate effectively and in alignment with the strategy as set by the board.

### Responsibilities of the board

The board is appointed by shareholders. Its responsibility, through the directors, is to promote the success of the company, to drive value for shareholders, having regard for the company's stakeholders and the consequences of decisions in the long term. Fulfilling this role, the board is responsible for setting and overseeing the implementation of the company's strategy, purpose and values. The board's oversight includes monitoring culture and the effectiveness of the company's system of internal control.

More detailed information about board activities is available from [page 76](#).

### Delegation of authority

The board delegates certain responsibilities to its principal committees, which are outlined in their respective terms of reference at [bp.com/governance](#).

Day-to-day management of the business is delegated to the chief executive officer (CEO), who in turn is advised and supported by a leadership team (bpLT) comprising of nine individuals who are accountable to him for their respective business and functional areas, with appropriate financial authority levels. Ultimately, decisions are taken by the CEO in the execution of the delegations to him by the board.

For example, the CEO's authority includes a limit on investments, capital expenditure★ and financial commitments. Any matters in excess of this limit, or those that go beyond the annual plan or agreed strategy, remain a matter reserved for the board as a whole.

Further delegations of authority are maintained throughout the business in a consistent way.

### Board committees

The four principal board committees operate under terms of reference which are reviewed at least annually. Full details can be found at [bp.com/governance](#).

Each committee reports to the board as a whole, providing updates on their activities and, where applicable, making recommendations for the board's approval.

### Board roles

#### Non-executive directors (NEDs)

Provide independent oversight, mentoring and constructive challenge to the executive directors and bpLT. NEDs bring valuable external perspective and support good governance in matters such as remuneration and succession planning.

#### Chair

- Helge Lund leads the board and is responsible for its overall effectiveness.
- This includes shaping and managing the culture of the boardroom, facilitating the board's ability to hear the views of stakeholders, and overseeing the composition and development of the board.

#### Senior independent director (SID)

- Dame Amanda Blanc acts as a sounding board for the chair and, if necessary, as an intermediary for other directors and investors.
- This includes overseeing the performance evaluation and succession planning for the chair.

#### Executive directors

Executive directors are tasked with the implementation of bp's strategy and are responsible for all executive management matters affecting the company.

#### Chief executive officer (CEO)

- As CEO, Murray Auchincloss proposes bp's strategy and annual plan for endorsement by the board, and leads the bpLT in delivering them.
- This involves overseeing the implementation of the system of internal controls and responsibility for setting policies, standards and procedures that foster bp's culture and values.

#### Chief financial officer (CFO)

- Kate Thomson provides financial leadership for the business and supports the CEO in the development and implementation of the strategy.

#### Company secretary

Ben Mathews advises the board on corporate governance matters, change to and compliance with board procedures, and monitors regulatory requirements. He also supports the chair in ensuring the timely flow of accurate and clear information to the board.

★ See glossary on [page 351](#)



# Board activities: promoting long-term sustainable success

In 2024 the board and its committees held regular meetings as needed to address business requirements. Agendas were set in advance by the chair, CEO, and company secretary, focusing on four pillars of strategy, performance, people, and governance.

The board's activities, supported by its committees, spanned these pillars. Notably, overseas trips to both Houston, US, and across India allowed the board to engage directly with a range of stakeholders. Highlights of the board's activities, discussions and approvals during the year are provided below.

## Strategy

### Strategic direction TCFD

- Worked closely with the CEO and his leadership team to establish a new purpose and strategy reset for bp.
- Discussed strategic progress and options at every board meeting, including deep-dives into our transition businesses★.

### Macroeconomics TCFD

- The review of our strategic direction was informed by regular updates on macroeconomic and geopolitical factors affecting our strategy, plan and performance.

### Mergers and acquisitions pipeline

- Regular reviews of potential merger, acquisition and divestment opportunities, including transition and low carbon. TCFD
- Approved the acquisition of transition business, bp Bunge Bioenergia (see page 33). TCFD
- Approved the final investment decision for Kaskida which will be bp's sixth hub in the Gulf of America.

### Offsites

- The board's site visits this year included:
  - Permian Basin, Gulf of America.
  - bp Houston in the US.
  - The Castellón refinery in Spain.
  - Castrol Patalganga plant and bp's business and technology centers in Pune, in India.
  - Our Reliance-operated KG D6 gas facility in India.

### Technology

- Received an update on digital, including its functional reorganization, the development of new strategic partnerships (Palantir, Infosys) and priorities for 2025.
- Participated in a deep-dive session on the potential deployment of generative artificial intelligence solutions across bp businesses.

### Safety and sustainability TCFD

- Reviewed ongoing updates on safety measures and performance.
- Focused its sustainability aims on those most relevant to the long-term success of its businesses and to its net zero ambition

## Performance

### Annual plan

- Reviewed and approved the 2024 annual plan that considered capital allocation (including transition businesses) to improve the balance sheet. TCFD
- Reviewed full-year delivery against the 2023 plan, and monitored progress against 2024 objectives.

### Financial frame and distributions

- Evaluated potential enhancements and simplifications to the financial frame.
- Regularly reviewed shareholder distribution options in alignment with the financial frame.

### Capital expenditure

- Received an update from the CEO at every board meeting covering projects across all bp's businesses and, where appropriate, climate-related considerations. TCFD These updates included any inorganic or divestment opportunities of more than \$100 million.

### Acquisition reviews

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

### Principal risks

- Analysed trends and themes arising from risk management reports.
- Performed mid-year and full-year reviews of bp's principal and emerging risks, including those related to climate (see page 112). TCFD

### Internal controls

- Evaluated the group's internal control and risk management systems as part of the review and approval of the bp Annual Report and Form 20-F.
- Received reports from group risk and internal audit, no specific concerns were identified, and the board concluded that the systems remain resilient, fit for purpose, and aligned with external expectations (see how we manage risk on page 61 and bp's system of internal control on page 112).

## Key

TCFD TCFD Recommendations and Recommended Disclosure

## Highlights of the year

### January – March

#### February:

- Site visit to bpx energy and Archaea, US.
- People, culture and governance; remuneration; audit; and safety and sustainability committee meetings, including Q4 results, London.
- Board meeting, London.

#### March:

- People, culture and governance; remuneration; and audit committee meetings, virtual.
- Board meeting, virtual.



### April – June

#### April:

- People, culture and governance committee meeting, virtual
- Remuneration committee meeting, virtual
- Annual General Meeting, London

#### May:

- Audit committee and board meetings, including Q1 results, virtual.

#### June:

- Houston, US, board programme including a safety and sustainability committee site visit to the Permian Basin and Gulf of America and a trading and shipping floor walk with the audit committee.
- Ad-hoc board meeting, virtual.





## People

### Engagement

- Participated in the workforce engagement programme (WFEP), bringing employee feedback into the boardroom and therefore allowing board decisions to be better informed of stakeholder views (see [page 78](#)).
- Met with high-potential employees to help improve the board's visibility of the executive succession pipeline.
- Held town halls and undertook site visits to increase director interaction with the workforce in those locations (further information on in-person site visits on [page 78](#)).

### Culture

- Received feedback from Pulse employee surveys, agreeing actions and initiatives in response.
- Reviewed the annual ethics and compliance report, and the function's priorities and objectives.
- Approved the scope of the newly named people, culture and governance committee.

### Conflicts of interest

- Approved an amended conflicts of interest policy that integrated mandatory disclosure and reporting requirements for relationships at work.

### Succession planning

- Supported by the people, culture and governance committee, the board received updates on succession plans for the board, and undertook a review of leadership development initiatives, including succession plans for the bp leadership team.

## Governance

### Corporate governance framework

- Approved changes to the terms of reference for the board and committees to align with regulatory changes under the revised UK Corporate Governance Code and to reflect evolving governance practices at bp.

### Board composition / director changes

- Following a comprehensive selection process, appointed Murray Auchincloss as the permanent chief executive officer with effect from 17 January 2024, and Kate Thomson as chief financial officer and board member on 2 February 2024.
- Appointed Dame Amanda Blanc as senior independent director (SID) with effect from 25 April 2024.
- Appointed Tushar Morzaria as interim remuneration committee chair with effect from 25 April 2024.
- Appointed Hina Nagarajan and Johannes Teyssen as additional members of the people, culture and governance committee with effect from 6 May 2024.

### Director training and knowledge sessions

- Completed online training on topics including the code of conduct and cyber security.
- Participated in a number of deep-dive sessions during the year on relevant topics such as artificial intelligence.

### Board effectiveness review

- Conducted an externally facilitated board and committee performance review led by the chair and company secretary (see [page 87](#)).

### Investor engagement

- The chair, senior independent director, remuneration committee chair, SVP investor relations and company secretary held a number of investor meetings with shareholders representing around 30% of the share capital.

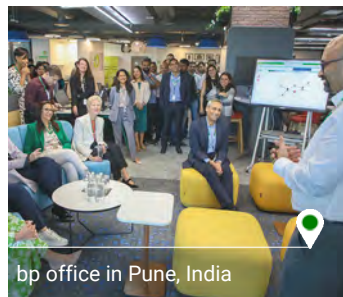
## July – September

### July:

- People, culture and governance; remuneration, audit; and safety and sustainability committee meetings, including Q2 results, London.
- Board meeting, London.
- Safety and sustainability committee site visit to Castellón refinery, Spain.

### September:

- India board programme, including safety and sustainability committee site visit to *Castrol* Patalganga and audit committee site visit to Pune.



bp office in Pune, India

## October – December

### October:

- Audit committee; board; and results committee meetings, including Q3 results.

### November:

- People, culture and governance; remuneration; audit and safety and sustainability committee meetings, London.
- Board meeting, London.

### December:

- Audit committee meeting, virtual



Castrol, Pangbourne, UK

## Our stakeholders

Regular stakeholder engagement allows directors to gain a wide range of different insights, giving the board a comprehensive and rounded perspective in support of the decisions it takes. Engagement of this nature helps the directors to fulfil their statutory duties and build greater trust within, across, and outside of bp. In turn this helps improve how the strategy is formed and overseen to promote bp's long-term success.

### Fostering mutual understanding

The board's approach to stakeholder engagement allows for a better understanding of matters that are important and relevant to the decisions that they take and to the continuing evolution of bp's strategy.

For the non-executive directors (NEDs), one of the key mechanisms for engagement is the workforce engagement programme (WFEP). Every NED takes part in the WFEP, joining small group roundtable sessions with employees on a specific topic. Key themes addressed through the WFEP in 2024 included safety, innovation and technology, remuneration, and culture.

In addition, for employees, directors have been involved in town hall events and webcasts during the year.

For investors, engagement mechanisms included roadshows, results calls, one-to-one and group meetings.

bp's financial and operational performance was an important topic for both investors and the workforce in 2024, with directors seeking to enhance each group's understanding of the factors affecting the company's overall performance.

### Promoting balanced perspectives

In 2024, engagements included sessions with employees in Australia, India, Spain, the UK and US; summits and meetings with governments and regulators from Azerbaijan, Germany, Kuwait, India and Iraq; and customer-focused visits to sites in the UK, US and India.

In particular, the board's visit to our business and technology centers in Pune, India in September provided a breadth of stakeholder engagement opportunities, supporting the delivery of bp's ambitions. For more on the visit to Pune see [page 83](#).

In addition to regular meetings with investors in 2024, bp held its first hybrid retail shareholder engagement event outside of the AGM, hosted by the company secretary. Feedback from this event was used to enhance engagement by the board at the AGM.

### Focusing strategic direction

The strategy reset announced in February 2025 was developed through a comprehensive engagement programme undertaken in 2024 and early 2025. The perspectives of various stakeholders were considered including investors and our employees. Wide-ranging views helped to inform the decisions taken by the board regarding the strategy reset. This engagement supported the board's confidence that their decisions had taken account of evolving stakeholder expectations.

 See more on key decisions, [page 79](#)

### Building trust in bp

Two important themes in helping to maintain and enhance organizational trust are safety performance and culture.

On safety, valuable insights were gained from investors, employees and business partners via in-person meetings, online meetings and director site visits. Examples this year included visits to the Castellón refinery in Spain and operations in the Permian Basin in the US.

Culture was a prominent theme of WFEP sessions in 2024 with valuable feedback shared on culture at bp, including the impact of agile working and leadership training programmes.

In addition, directors continued to advocate for bp's culture of speaking up, and the board reviewed an anonymized summary of Pulse employee survey reports and OpenTalk reports (bp's whistleblowing service). For more on culture see [page 87](#).

### Opportunities for collaboration

By attending talks, events and site visits with our partners and suppliers (such as Reliance, Infosys and Aviation Fuelling Services at Heathrow airport (UK)), the board had the opportunity to discuss and learn more about safety, technology and the future of the energy sector.

Similarly, engagements with governments and regulators and consideration of wider society's interests focused on generating shared value. For example, investment opportunities (Kaskida platform, Gulf of America), redevelopment opportunities (Kirkuk Field, Iraq) and exploration of lower carbon energy solutions (Net Zero Teesside Power, UK).

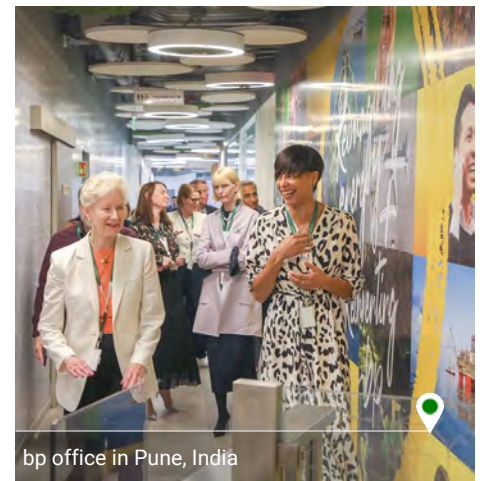
The directors also reflected on integration, safety and customer-centricity on their visits to retail sites such as TravelCenters of America in the US and the Hemel Hempstead fuel terminal in the UK.

### Benchmarking progress

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

**Our Section 172(1) statement describes how the directors have had regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006; see [page 68](#).**

**Further information on the board's activities and key decisions, including how stakeholder interests have been considered, can be found on [pages 76-78](#) and [page 79](#).**



bp office in Pune, India

#### Stakeholders key

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

## Key decisions

Section 172 of the Companies Act 2006 requires directors to act in a way they believe will promote the success of the company for the benefit of its shareholders. They must consider the long-term impact of their decisions, the interests of employees, relationships with stakeholders, the community and environment, and maintain high standards of business conduct.

Set out below are four key decisions taken by the board during 2024 and how stakeholder considerations have been taken into account in the board's discussions and decision making.

### Resetting our strategy

The board approved a reset of bp's strategy and reallocation of capital to drive growth and improved performance, as announced at the Capital Markets Update on 26 February 2025.

This announcement followed extended workshops and board discussions with members of the bp leadership team at each board meeting since September 2023, leading to what the board believes is a clear and distinctive strategic direction, an investable financial proposition, with a simpler narrative, sustainability framework, financial frame and metrics.

Throughout the process, the board explored what drives valuation growth across three quantitative pillars – growth, profitability, and risk – along with qualitative factors like investor proposition, market confidence, and the company's performance during the year.

bp's investors want to see consistent operational and financial performance, together with strategic clarity with less complexity. The board discussed choices on capital allocation and efficiency, balance sheet resilience and share buyback guidance.

When looking at the potential strategic options, the board also considered bp's sustainability framework.

Recognizing the feedback to become a simpler and more understandable organization, the board considered the perspectives of various stakeholders including investors and our employees before approving the five focused sustainability aims of net zero operations ★, net zero sales ★, people, water and biodiversity.

Throughout the process the board explored potential scenarios, opportunities, and risks. This ultimately led to decisions being taken that the board believes will best maximize bp's prospect of achieving its objectives and fulfilling its purpose. The board believes the strategy remains consistent with the goals of the Paris Agreement. Recognizing that the component parts of this update are important to many stakeholder groups, the board remains committed to the energy transition.

#### Stakeholders considered



### An integrated energy company

As an integrated energy company, bp continues to invest with discipline in both the upstream ★ and low carbon energy. In 2024, the board approved key investment decisions in each of these segments.

In July, bp took a final investment decision for a sixth operated hub, Kaskida, in the US Gulf of America. This strategic growth project represents bp's ongoing commitment to invest in this prolific high-margin basin, and makes up an important element of growing the value of bp. This platform is expected to have production capacity of 80,000 barrels of oil per day and will embrace a more simplified, standardized and cost-efficient platform design that we plan to replicate in future projects, unlocking potential for the development of 10 billion barrels of discovered resources in place in the Paleogene, Gulf of America.

Together with our partners we reached financial close for two major carbon capture and storage (CCS) projects in Teesside in the north-east of England: the Northern Endurance Partnership (NEP) and Net Zero Teesside Power (NZT Power). NEP, through its CO<sub>2</sub> transport and storage system, will help develop and underpin a lower carbon future for industry in the region. NZT Power, a gas-fired power station with CCS, will provide flexible low carbon power into the UK national power grid. The two projects will capture and transport millions of tonnes of CO<sub>2</sub> and the board noted the potential from these projects to support thousands of jobs through their construction and operation.

The NZT Power and NEP decisions were taken following extensive dialogue with multiple stakeholders, including discussions with governments regarding local policies and with our customers to ensure an accessible market. The board recognized the contribution of the NZT Power and NEP decisions to bp's strategic priorities, including the high grading of our hydrogen and CCS projects and the role these projects can play in helping advance the UK's journey to net zero.

In the US, the board was supportive of the high-value growth opportunity presented by Kaskida and the contribution it could make to deliver secure, reliable and affordable energy.

#### Stakeholders considered



# Safety and sustainability committee

**Melody Meyer**  
Safety and sustainability  
committee chair



“ The committee undertook a number of site visits to engage with employees and observe bp’s safety and sustainability culture and performance in person. ”

## Meetings and attendance

The committee met five times during 2024. Regular attendees included SVP internal audit, EVP production & operations, EVP strategy, sustainability & ventures, SVP HSE and carbon, SVP safety and operational risk assurance, SVP sustainability and VP internal audit – safety and sustainability.

Non-executive directors	Five scheduled meetings
Melody Meyer: member (from May 2017), chair of the committee (from November 2019)	5/5
Satish Pai: member <sup>a</sup>	4/5
Sir John Sawers: member (until April 2024)	1/1
Johannes Teyssen: member	5/5

<sup>a</sup> Satish Pai was unable to attend the scheduled meeting in June due to an existing external commitment.

## Chair’s introduction

### Dear fellow shareholders,

I am pleased to present the safety and sustainability committee report for the year ended 31 December 2024.

Safety performance remained a focal point for the committee during the year, with the committee observing significant progress made in reducing tier 1 process safety incidents. This included overseeing management’s progress in the implementation of Process Safety Improvement Plans (PSIPs) across the company, with deeper dives on personal safety, operational integrity and threat risk across a number of our businesses and operations.

Tragically, we lost a colleague in our recently acquired bp bioenergy business in Brazil from injuries sustained during an operational activity. We extend our deep condolences to his family and colleagues. Management reported on the actions being taken to embed the bp Operational Management System across bp bioenergy and to learn from this incident.

The committee undertook a number of site visits to engage with employees and observe bp’s safety and sustainability culture and performance in person. The committee members appreciated the candour and culture experienced at each site visited, details on [page 81](#).

Looking forward to 2025, the committee will focus its oversight on maintaining the good progress and continuous improvement in safety performance and implementation of the updated sustainability aims (further detail on [page 38](#)).

## Role of the committee

The committee oversees the management of safety and sustainability matters, including relevant systems and processes, focusing on those which it considers to be most potentially material from time to time.

## Key responsibilities

The committee’s full terms of reference can be viewed at [bp.com/governance](https://www.bp.com/governance).

### Melody Meyer

Committee chair  
6 March 2025

## Activities during the year

### Overseeing improved safety performance

- One primary focus of the committee is the oversight of safety performance, critically analysing management’s progress in the reduction of tier 1 and 2 process safety events **★**. During 2024, the committee oversaw improved tier 1 safety performance, with tier 1 safety events being 67% lower than in 2023.
- Additionally, the committee oversaw the implementation of PSIPs to address a 17% increase in tier 2 safety events in the year. This included overseeing the continued embedding of the Refining, Terminals and Pipelines 5-Point Plan, created as a priority initiative following fatalities at the Toledo refinery in September 2022.
- In addition, the committee received:
  - Routine updates from the EVP production & operations on safety and operational performance and key safety moments from around the business.
  - Reports on major operational, security (including crisis management and business continuity) and cyber security incidents (for example, detail on learnings from the global CrowdStrike outage in July 2024).
  - Deep-dive updates regarding significant or material events and specific risk areas within the business, including a fatality at Guariroba mill in our recently acquired bp bioenergy business in Brazil from exposure to steam at extreme temperature, and a full shutdown at Whiting refinery in the US resulting from a power outage. The committee challenged management on the root cause and learnings from these incidents and how learnings are embedded into existing safety processes.
  - The committee also made recommendations to the remuneration committee regarding safety remuneration targets and outcomes. This included critically analysing current methodologies for the setting of targets to ensure they are appropriately achievable while remaining stretching.



### Providing challenge on risk management

- The committee plays an important role in the bp risk management process, providing independent challenge to management on the processes and procedures implemented to manage safety and sustainability risk. This is achieved by reviewing and monitoring the principal risks allocated to it by the board through deep-dive updates, for example related to wells, product quality and ethical misconduct and non-compliance.
- Proactive deep-dives are made into specific areas of risk within the business. For example, the committee began receiving enhanced reporting on risk management within the bpx energy business, which continued into 2024. This reporting has allowed the committee to challenge the business on the cascading of safety learnings and implementation of process safety improvement plans, demonstrated by improved safety performance within bpx energy during 2024.

- Routine updates on the activity of internal audit are received by the committee, including an annual report on bp’s system of internal control. This supports the committee by providing an independent view on management’s safety and sustainability performance, helping to draw out where key challenges and risk areas may lie.

### Guiding delivery against strategy and aims TCFD

- The committee oversees progress against bp’s sustainability aims through receiving routine updates from the SVP sustainability. During 2024, deep-dives were undertaken into each pillar of the sustainability frame, with regular focus on management’s plans to address areas of more challenged delivery.
- The committee remains abreast of the current global sustainability reporting environment, including bp’s plans for compliance. For example, in November, the committee received a joint update with the audit committee on bp’s plans for compliance with the EU Corporate Sustainability Reporting Directive and EU Taxonomy Regulation.

- Recommendations were made to the remuneration committee regarding sustainability-linked remuneration targets and outcomes. For example, the committee made a recommendation to the remuneration committee to move the 2024 annual cash bonus target from sustainable emissions reductions to one based on operational emissions reductions (see remuneration report on [page 88](#)).

### Key

**TCFD** Information that supports TCFD Recommendations and Recommended Disclosures in relation to governance (see [pages 42-45](#))



Castellón refinery, Spain

### Insights from Castellón refinery, Spain – July 2024

During the S&SC’s trip to Castellón refinery the team provided an insight into its implementation of the 5-Point Plan and other PSIPs. The team also briefed the committee on the cascading of learnings following a fatality on-site in 2021, including consequent reinforcement of the Life Saving Rules on-site and piloting of a bespoke safety programme (Safety in Mind) to embed human performance principles of safety on-site. In addition, the committee was briefed on plans to develop the asset’s green hydrogen ★ operations.

“ The local team provided the S&SC with an insight into its implementation of the 5-Point Plan and other PSIPs. ”

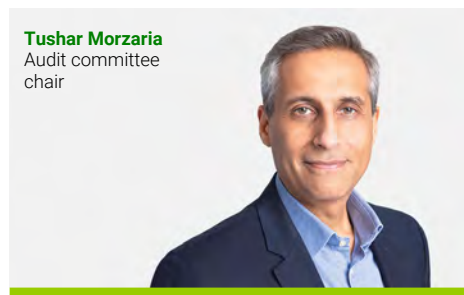
### Sustainability initiatives at Castrol, India – September 2024

The committee observed first-hand several of *Castrol’s* innovative sustainability initiatives, including ambient temperature blending, electricity optimization measures and its strategy to use 100% renewable energy from the local grid. The trip was also an opportunity to hear from the local team how it has improved safety performance through digitization, including automated maintenance management.



Castrol plant, India

## Audit committee



**Tushar Morzaria**  
Audit committee  
chair

“  
The committee oversaw significant change in bp’s reporting processes in the year.”

### Meetings and attendance

The committee met nine times during 2024. Regular attendees included the chief financial officer (CFO), SVP accounting, reporting and control, SVP internal audit, EVP legal, and the external auditor.

Non-executive directors	Nine scheduled meetings
Tushar Morzaria: member (from September 2020), chair of the committee (from May 2021)	9/9
Pamela Daley: member	9/9
Paula Reynolds: member (until April 2024)	2/2
Karen Richardson: member	9/9
Hina Nagarajan: member <sup>a</sup>	8/9

a Hina was unable to attend the meeting in December due to an existing external commitment.

### Chair’s introduction

#### Dear fellow shareholders,

I am pleased to present the audit committee report for the year ended 31 December 2024.

At the heart of the committee’s role is bp’s financial reporting – monitoring its continued integrity, overseeing management’s control procedures and assessing their effectiveness and working with internal and external auditors to ensure that what you – our shareholders – rely on in our reporting has been appropriately challenged and reviewed. This is work we undertake on behalf of the board, co-ordinating with some of the board’s other committees for their relevant input and ultimately making recommendations to the board in support of the governance processes we have established.

In pursuit of this agenda, the committee oversaw significant change in bp’s reporting processes in the year, with the introduction of trading statements which are now issued shortly after the end of the quarter to provide up-to-date performance insights.

A highlight of our activity during the year has included monitoring progress against bp’s target relating to the delivery of savings<sup>b</sup>, and the committee will continue to monitor progress in 2025 following the announcement on 26 February 2025 to deliver between \$4-5 billion of structural cost reductions<sup>a</sup> by the end of 2027. An additional highlight was a deep-dive into how bp manages risks associated with the integration of acquisitions.

Against the backdrop of an ever-changing regulatory environment, the committee has engaged with management to assess bp’s approach to new sustainability reporting and the requirements of the new UK Corporate Governance Code 2024, receiving regular updates on implementation and plans for compliance.

We spent time with the trading and shipping team (now the supply, trading and shipping team) in Houston, US and our business and technology centers in Pune, India, both being strategically significant areas of bp’s business. Read more on [page 83](#). The committee continues to engage with other stakeholders where appropriate, including through regulatory inspections when they occur.

On behalf of my colleagues on the committee, I would like to extend my thanks for the continued professional support and focus of effort by management and our various advisers during a year where bp delivered strong performance in some areas but had some challenges in others. We look forward to continuing this journey through 2025.

### Role of the committee

The committee monitors the effectiveness of the group’s financial reporting, including ESG and climate-related financial disclosures, as well as systems of internal control and risk management as allocated by the board. It also monitors the integrity of the external and internal audit processes.

This report describes how bp has approached compliance with the provisions of the FRC’s Audit Committees and the External Audit: Minimum Standard.

### Key responsibilities

A summary of the committee’s terms of reference is on [page 335](#) and the full terms of reference can be viewed at [bp.com/governance](https://bp.com/governance).

#### Tushar Morzaria

Committee chair  
6 March 2025

### Financial expertise

The board is satisfied that

- Tushar Morzaria, the chair of the committee, has recent and relevant financial experience as required by the UK Corporate Governance Code and that he is competent in accounting and auditing in accordance with the FCA’s Disclosure Guidance and Transparency Rules.
- The committee has an appropriate and experienced blend of commercial, financial and audit expertise to assess the issues it is required to address, as well as competence in the relevant sector in which bp operates.
- As a US foreign private issuer, the committee meets the independence criteria provisions of Rule 10A-3 of the US Securities Exchange Act of 1934, and Tushar Morzaria can be regarded as an audit committee financial expert as defined in Item 16A of Form 20-F.

<sup>b</sup> Target first introduced in bp’s first quarter 2024 group results announcement referred to as cash costs savings. Cash costs has the same meaning as underlying operating expenditure<sup>a</sup>.

## Activities during the year

### Monitoring the integrity of financial reporting and assurance

- Through monitoring and reviewing that bp's financial statements and formal announcements relating to bp's financial performance are clear and appropriate, the committee oversees the integrity of our financial reporting.
- Management's application of key accounting policies and recommendations on financial reporting judgements was carefully considered, with the committee concluding that these matters were appropriately addressed in the financial statements.
- The committee oversaw change in bp's reporting processes, playing a key role in reviewing the governance, assurance and reporting arrangements for trading statements, which were introduced for the first quarter of 2024 with the aim of providing performance insights to investors ahead of the release of quarterly results.
- The committee monitored progress and reporting on cost savings.

### Going concern, viability and fair, balanced and understandable considerations

The committee reviewed the company's going concern assumption and longer-term viability statement. In determining and recommending to the board that it was appropriate to adopt the going concern basis of accounting and the longer-term viability of the company, the committee considered carefully (and challenged constructively where appropriate) for example certain enhancements to the longer-term viability statement as found on [page 113](#).

The committee received an update from management on the verification process for the bp Annual Report and Form 20-F in support of its recommendation to the board that the annual report was fair, balanced and understandable. The bp Annual Report and Form 20-F was comprehensively reviewed with input from subject matter experts and the external auditors. The committee's review included consideration of bp's non-financial disclosures such as the Task Force on Climate-related Financial Disclosures (TCFD) that are made in compliance with the UK Listing Rules. [TCFD](#)

### Maintaining resilience through systems of internal control and risk management

- The committee oversaw risk management and internal control processes, routinely reviewing and monitoring principal risks allocated to it by the board through a combination of business or function reviews and focused engagement with key stakeholders.

- Through a deep-dive update, the committee discussed bp's approach to acquisition integration. The session focused on the implementation of revised policies and requirements to manage risk and reduce complexity in aligning new acquisitions with bp's control environment.
- Through supply, trading and shipping updates, the committee reviewed risks to trading such as market, liquidity, credit, operational and people risks and control items. In light of the changing macro and energy price environment, the committee considered the LNG hedging strategy ahead of the winter period, and reviewed and challenged the longer-term outlook for energy prices against bp's price assumptions.
- The committee reviewed the affordability of distributions, taking into account factors such as whether sufficient distributable reserves are available.
- In addition, the committee received:
  - updates on the systems in place to assess fraud risk and the controls in place to manage and mitigate identified risks.
  - an update on compliance with business regulations, together with additional briefings during the year on technical accounting updates and developing ESG disclosures. [TCFD](#)
- The committee remained prepared for regulatory developments, including receiving updates on the consideration of enhancements to bp's risk management and internal control framework as a result of the new 2024 UK Corporate Governance Code, and received updates on implementation progress.

### Effectiveness of risk management and systems of internal control

The committee reviewed and challenged management on the effectiveness of the system of internal control and agreed that it did not require further action nor were there any significant failings or weaknesses to report. As part of this assessment the committee considered internal audit's annual review of internal control and risk management, together with an assessment of it from management. Further details can be found on [pages 112-113](#). The committee also discussed internal controls and financial reporting processes during the year, challenging control gaps identified and subsequent actions to remediate, and reviewed progress towards addressing deficiencies that had been previously identified in relation to manual journal controls. Further details on internal controls in place for financial reporting can be found on [page 336](#).

In addition, the committee received updates on the evolution and enhancement of non-financial reporting controls and assurance, such as first and second line of defence activities, to take into account the expected increase in new reporting obligations. [TCFD](#)



bp North American headquarters, Houston, US

### US site visit – June 2024

The committee engaged with a range of internal stakeholders during the board's visit to the US in 2024. They toured the supply, trading and shipping activities in Houston, an important part of bp's portfolio, with a focus on biogas, natural gas and power, and met with the local leadership team.



bp office in Pune, India

### India site visit – September 2024

During the committee's visit to India, the directors met internal stakeholders based in Pune, ending with a session with the local leadership team. As part of their floor walks across bp's sites, the committee engaged with the finance, business and technology team on their growth story, portfolio and accomplishments.

### Key

[TCFD](#) Information that supports TCFD Recommendations and Recommended Disclosures in relation to Governance (see [pages 42-45](#))



## Audit committee continued

### Overseeing the relationship with external and internal audit

- On the recommendation of the committee, the board will propose the reappointment of Deloitte as our external auditor to shareholders at the 2025 annual general meeting. The external auditor's independence and objectivity were reviewed and monitored by the committee using a combination of factors, including assurances provided to it by the external auditor, the level of non-audit fees, and the timeline for lead audit partner rotation and re-tender of audit services. The committee was satisfied with the audit team's effectiveness, service quality and commitment, including that the external auditor provides constructive challenge to management. In support of this, the committee received reports from the external auditor that covered insights from their audit work, actions taken to address the FRC's annual report on the external auditor, and the inspection results of the external auditor's quality control procedures. In addition, the committee received reports from management, which included a survey seeking internal stakeholder feedback on the external auditor's performance and bp's commitment to the audit. The main measurement criteria covered planning and scope, robustness of audit, independence and objectivity, quality of delivery, quality of people and service, and value-added advice.
- The committee met privately with the external auditor during the year, and in addition reviewed, approved and monitored progress against the external audit plan, considering materiality levels, audit risks, scoping changes, and resourcing. The committee is satisfied that the external auditor has full access to staff and records.

- The committee continued to monitor and review the effectiveness and capabilities of the internal audit function. This included for example reviewing and approving the internal audit plan in the context of bp's principal risks and discussing an update on actions taken in response to the recommendations of an external quality assessment conducted by PwC in 2022. The committee concluded that the function had independent, unrestricted scope, access to information, and sufficient resources to fulfil its mandate. They met privately with the SVP internal audit, discussed regular updates on internal audit activities and where appropriate challenged management's response and progress made on the closure of findings.

A summary of the external audit approach, including audit risks, is set out in the independent auditor's report on [pages 116-133](#).

### Lead audit partner rotation and re-tender of audit services

The external auditor must rotate the lead audit partner every five years and other senior staff every five to seven years.

The company complies with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which requires bp to tender the audit at least every 10 years.

External audit services were last tendered in 2016 and the external auditor has been in that role since 2018 (seven years). It is anticipated that a re-tender will be completed by 2026, for the 2028 audit. The committee believes that the timeline is in the best interests of shareholders, providing an appropriate balance between knowledge of controls and risks, maintaining audit quality, independence and objectivity and value for money.

### Oversight of audit fees and non-audit services

The committee reviewed and approved the audit services fee and terms of engagement for the external auditor while retaining oversight of bp's policy on non-audit services and the review and approval of non-audit services.

The total amount of audit and non-audit fees paid to Deloitte for 2024 is set out in [Financial statements – Note 36](#). The committee is satisfied that the audit fee is appropriate in respect of the audit services provided. The majority of non-audit fees relate to work of an assurance nature.

The non-audit services policy safeguards audit objectivity and independence through the prohibition of non-audit tax services being provided by the external auditor, the limitation of audit-related work which falls within defined categories, and by stating that the auditor may not perform non-audit services that are prohibited by the SEC, Public Company Accounting Oversight Board (PCAOB), International Auditing and Assurance Standards Board (IAASB) or the FRC.

The external auditor is considered for permitted non-audit services only when its expertise and experience of bp are important. Approvals for individual engagements of pre-approved permitted services below certain thresholds are delegated to the SVP accounting, reporting and control or the CFO. More information is outlined in the principal accountant's fees and services on [page 337](#).

### Examples of how key accounting judgements and estimates were considered and addressed, and how relevant accounting policies have been applied

Key accounting judgements and estimates	Audit committee activity	Conclusions/outcomes
<b>Impact of climate change and the energy transition TCFD</b>		
Climate change and the transition to a lower carbon economy may have significant impacts on the currently reported amounts of the group's assets and liabilities and on similar assets and liabilities that may be recognized in the future.	<ul style="list-style-type: none"> <li>Reviewed management's best estimate of oil and natural gas price assumptions for value-in-use impairment testing and investment appraisal.</li> <li>Reviewed management's determination that its best estimate of oil and natural gas prices is in line with a range of transition paths consistent with the goals of the Paris climate change agreement.</li> </ul>	<ul style="list-style-type: none"> <li>Management's revised best estimate of oil and natural gas prices are in line with a range of transition paths consistent with the goals of the Paris climate change agreement.</li> <li>See Financial Statements – Note 1 for more details on how bp applies carbon pricing in its impairment testing, sensitivity analyses estimating effects of changes in net revenue and changes in the expected timing of decommissioning.</li> </ul>



Key accounting judgements and estimates	Audit committee activity	Conclusions/outcomes
<p><b>Provisions</b></p> <p>The group holds provisions primarily for decommissioning, environmental remediation and litigation. The most significant provision is for the future decommissioning of oil and natural gas production facilities and pipelines. Estimation uncertainty exists as most of these events are many years in the future. Assumptions are made by bp in relation to cost estimation, settlement dates, technology, legal requirements and discount rates. There is also a risk that decommissioning obligations from previously divested assets revert to bp.</p>	<ul style="list-style-type: none"> <li>Received briefings on decommissioning (including the process for managing the risk of decommissioning reversion), environmental, asbestos and litigation provisions. These included the requirements, governance and controls for the development and approval of cost estimates and provisions in the financial statements.</li> <li>Reviewed and challenged the group's discount rates for calculating provisions.</li> </ul>	<ul style="list-style-type: none"> <li>Decommissioning provisions of \$11.8 billion were recognized on the balance sheet at 31 December 2024.</li> <li>The discount rate used by bp to determine the balance sheet obligation at the end of 2024 was a nominal rate of 4.5% based on long-dated US government bonds, an increase of 0.5% from 2023.</li> </ul>
<p><b>Recoverability of asset carrying values</b></p> <p>Determination as to whether and how much an asset (including exploration intangibles), cash generating unit (CGU) or group of CGUs containing goodwill is impaired involves management judgement and estimates on uncertain matters such as future commodity prices, discount rates, production profiles, reserves and the impact of inflation on operating expenses. Judgement is required to determine whether it is appropriate to continue to carry intangible assets related to exploration costs on the balance sheet.</p>	<ul style="list-style-type: none"> <li>Reviewed policy and guidelines for compliance with oil and gas reserves disclosure regulation, including the group's reserves governance framework and controls.</li> <li>Reviewed and challenged the group's oil and gas price assumptions.</li> <li>Reviewed and challenged the group's discount rates for impairment testing purposes.</li> <li>Impairment charges, reversals and 'watch-list' items were reviewed in the quarterly due diligence process.</li> </ul>	<ul style="list-style-type: none"> <li>The group's price assumption for Brent oil and for Henry Hub gas were updated as set out on <a href="#">page 20</a> and Financial Statements – Note 1.</li> <li>Sensitivity analyses estimating the effect of changes in net revenue and discount rate assumptions have been disclosed in Financial Statements – Note 1.</li> <li>Net impairment charges of \$5.2 billion as disclosed in Financial Statements – Note 4.</li> <li>Exploration intangibles totalled \$4.4 billion at 31 December 2024.</li> </ul>
<p><b>Taxation</b></p> <p>Computation of the group's income tax expense and liability, the provisioning for potential tax liabilities and the level of deferred tax asset recognition are underpinned by management judgement and estimation of the amounts which could be payable. Judgement is also required when determining whether a particular tax is an income tax or another tax type.</p>	<ul style="list-style-type: none"> <li>Received regular updates on the group's tax risk exposures and deferred tax asset recognition.</li> <li>Reviewed the judgements exercised over tax risk provisioning as part of its annual review of key provisions.</li> </ul>	<ul style="list-style-type: none"> <li>Deferred tax assets of \$5.4 billion were recognized on the balance sheet at 31 December 2024.</li> <li>The calculation of tax risk provisions is consistent with IAS 37 and IFRIC 23.</li> </ul>
<p><b>Pensions</b></p> <p>Accounting for pensions and other post-employment benefits involves making estimates when measuring the group's pension plan surpluses and deficits. These estimates require assumptions to be made about uncertain events, including discount rates, inflation and life expectancy.</p>	<ul style="list-style-type: none"> <li>Reviewed and challenged the group's assumptions used to determine the projected benefit obligation at the year end, including the discount rate, rate of inflation, salary growth and mortality levels.</li> </ul>	<ul style="list-style-type: none"> <li>At 31 December 2024, surpluses of \$7.5 billion and deficits of \$4.9 billion were recognized on the balance sheet in relation to pensions and other post-employment benefits.</li> <li>The method for determining the group's assumptions remained largely unchanged from 2023. The values of these assumptions and a sensitivity analysis of the impact of possible changes on the benefit expense and obligation are provided in Financial Statements – Note 24.</li> </ul>
<p><b>Supplier finance arrangements</b></p> <p>The group's trade payables include certain supplier finance arrangements that utilize letter of credit facilities and promissory notes. Judgement is required to assess trade payables subject to supplier financing arrangements to determine whether they should continue to be classified as trade payables and give rise to operating cash flows or finance debt and financing cash flows.</p>	<ul style="list-style-type: none"> <li>Received a briefing on the group's supplier finance arrangements.</li> <li>Reviewed the group's proposed enhanced disclosures in relation to Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: disclosures' relating to supplier finance arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>bp had liabilities of \$7.4 billion, \$1.8 billion and \$0.4 billion, respectively, in respect of letters of credit, promissory notes and reverse factoring arrangements that are presented within trade and other payables at 31 December 2024.</li> <li>The disclosures required by the Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: disclosures' relating to supplier finance arrangements are included in Financial Statements – Note 29.</li> </ul>
<p><b>Derivatives</b></p> <p>For its level 3 derivative financial instruments, bp estimates their fair values using internal models due to the absence of quoted market pricing or other observable, market-corroborated data.</p> <p>Judgement may be required to determine whether contracts to buy or sell commodities meet the definition of a derivative, in particular LNG contracts.</p>	<ul style="list-style-type: none"> <li>Received a briefing on the group's trading risks and reviewed the system of risk management and controls in place.</li> <li>Reviewed the control process and risks relating to the trading business.</li> <li>Received updates on accounting judgements on LNG contracts.</li> </ul>	<ul style="list-style-type: none"> <li>bp has assets and liabilities of \$16.0 billion and \$14.4 billion, respectively, recognized on the balance sheet for level 3 derivative financial instruments at 31 December 2024, mainly relating to the activities of the trading &amp; shipping function. bp's use of internal models to value certain of these contracts has been disclosed in Financial Statements – Note 1.</li> <li>bp considers that contracts to buy or sell LNG do not meet the definition of a derivative under IFRS.</li> </ul>

## People, culture and governance committee



**Helge Lund**  
People, culture  
and governance  
committee chair

“2024 has been a busy year for the committee, with a strong focus on leadership succession and development.”

### Meetings and attendance

The committee met seven times during 2024. The CEO and EVP people, culture & communications regularly attend these meetings.

Non-executive directors	Six scheduled meetings	One ad hoc meeting
Helge Lund: member (from July 2018), chair of the committee (from September 2018)	6/6	1/1
Dame Amanda Blanc: member <sup>a</sup>	6/6	0/1
Dr Johannes Teyssen: member (from April 2024)	3/3	1/1
Hina Nagarajan: member (from April 2024)	3/3	1/1
Paula Rosput Reynolds: member (until April 2024) <sup>b</sup>	2/3	0/0
Sir John Sawers: member (until April 2024)	3/3	0/0

a Dame Amanda was unable to attend the ad hoc meeting in October due to an existing external commitment.

b Paula was unable to attend the scheduled meeting in February due to an existing external commitment.

### Chair's introduction

#### Dear fellow shareholders,

I am pleased to present the people, culture and governance committee (PCGC) report for the year ended 31 December 2024.

2024 has been a busy year for the committee, with a strong focus on leadership succession and development. This is to position bp to leverage the skills and experience we have in pursuit of our strategy.

In 2023 our emergency executive succession plans were tested – successfully – with the appointments of Murray Auchincloss and Kate Thomson into interim positions, prior to their permanent appointments as CEO and CFO in January and February 2024 respectively.

Following the board's decision in January 2024 to appoint Murray Auchincloss as our permanent CEO, the committee oversaw the launch of a new leadership team structure.

Succession and development plans for executive roles across the short, medium and long term have been refreshed and are routinely reviewed by the committee. The committee also revised emergency succession plans, which will continue to be assessed and reviewed for the key CEO and CFO roles.

Non-executive director succession was also at the forefront of the committee's agenda in 2024, seeking candidates who will fulfil the agreed criteria for emerging vacancies on our board, with a particular focus on a permanent successor with the experience to take on the chairmanship of the remuneration committee and former executives with global, transformation experience in large, complex industrial companies both from within and outside of the sector. This helps us to ensure we can maintain an effective board with the necessary skills and experience to drive forward bp's strategy.

We recognize that a strong culture – particularly a culture of caring for others and speaking up – is vital in times of change. In 2024, the committee changed its name from the people and governance committee to the PCGC to reflect its broader remit in relation to culture and engagement, including the monitoring of bp's 'Who we are' culture frame and how it is being embedded.

A strong culture requires continuous focus and the committee's enhanced oversight of the effectiveness and continual embedding of bp's culture frame will provide valuable insight about bp's culture and areas where further focus is required.

On behalf of my colleagues on the committee, I would like to thank the management team working to support and advise us in the delivery of the committee's priorities and look forward to building on the substantial progress made.

### Role of the committee

The committee seeks to ensure that the composition and structure of the board and leadership team remain effective. It also monitors the balance of skills, knowledge, experience and diversity required. The PCGC oversees the development of a diverse pipeline for succession to the board and leadership team through succession planning and monitoring development plans for bp leaders and beyond.

The committee provides oversight of bp's culture and its alignment with our 'Who we are' culture frame, and monitors sentiment of the workforce.

The process for the nomination, induction and orderly succession of candidates for the board, the leadership team and the company secretary role are led by the committee, as is the annual board and committee performance review.

### Key responsibilities

The committee's full terms of reference can be viewed at [bp.com/governance](https://bp.com/governance).

#### Helge Lund

Committee chair  
6 March 2025

## Activities during the year

### Planning for the future: the board and bp's leadership team

- As set out in our 2023 report, the committee endorsed the appointments of Murray Auchincloss and Kate Thomson as CEO and CFO, respectively in 2024. By routinely reviewing succession plans for the board, bp leadership team and senior leadership positions, and also taking into account the skills and diversity profiles we aspire to achieve for our leaders, the PCGC prepares and shapes bp's leadership structure to be fit for the future.
- The committee oversaw a proposed restructuring of bp's leadership team under the new CEO, reflecting the importance of organizational focus, simplification, and value growth. The new leadership team structure was effective from April 2024. Read more on [page 74](#).
- Through updates from the EVP people, culture & communications, the committee oversees development plans for bp's senior leaders and emerging talent and their alignment with executive succession planning over different timescales. Development plans identify critical experience and roles to bolster the skills of individuals with executive potential.
- The committee assessed non-executive candidates against agreed criteria for non-executive roles<sup>a</sup> to equip the board with the skills and diversity needed to meet current and future needs, focusing on candidates primarily from the UK and US with industry, safety, operational and remuneration committee experience.

### Diversity: continued progress

- Early in 2024, the committee recommended the appointment of Kate Thomson as CFO for approval by the board. Kate is bp's first female CFO. Dame Amanda Blanc was also appointed as SID, meaning that 50% of senior positions on bp's board are now represented by women, and as a whole the board has 55% female representation – this aligns with our board diversity, equity and inclusion (DE&I) policy aspiration towards gender parity on the board.
- The committee proposed amendments to the board DE&I policy to better inform the board and committee's approach to succession planning, recognising the benefits of diversity to decision-making and outcomes.
- The board DE&I policy applies to the board and its committees, and complements bp's wider diversity policies, the group's values, code of conduct and sustainability frame. It includes board gender and ethnicity

representation targets aligned with the UK Listing Rules and a commitment by directors to increase their understanding of all aspects of diversity, equity and inclusion. Read more at [bp.com/governance](#).

### Strengthening oversight of culture and the voice of the workforce

- Following the standing down of the culture-focused 'Who we are' oversight committee, the PCGC oversaw the roll-out of the refreshed bp conflicts of interest policy, which incorporates bp's requirements on relationships at work.
- The committee has undertaken work relating to its broadened oversight of engagement, culture, and how culture has been embedded, which included monitoring feedback from the workforce on the refreshed conflicts of interest policy.
- The committee's oversight of bp's culture was enhanced through private sessions with bp's head of ethics and compliance (E&C) who has accountability to, and direct channels of communication with, the PCGC. The committee approves the appointment and termination of the head of E&C and reviews and recommends their remuneration to the remuneration committee.
- The workforce engagement programme (WFEP) was refined to incorporate culture-related questions, and quarterly culture-focused sessions were implemented to help the committee understand the workforce's experience of the 'Who we are' culture frame. The committee provided workforce views and feedback to the board, strengthening consideration of workforce views in board discussions and decisions. The committee concluded that the WFEP is the appropriate mechanism for workforce engagement, given the activities and structure of bp. Read more on [page 78](#).

### Enhancing the effectiveness of the board

- The board performance review in 2023 highlighted the importance of the board's role in monitoring culture as an important underpin of the company's performance. This led to the broadening of the committee's remit in relation to culture and engagement as already discussed within this report. The 2023 review also triggered a comprehensive programme of strategy workshops, comprising discussions between the board and members of the bp leadership team at each board meeting during 2024. This concluded with the announcement on 26 February 2025 that presented a fundamental reset of the company's strategy.

- For 2024, the annual board and committee performance review was facilitated externally by Independent Board Evaluation<sup>b</sup> (IBE). Inputs were sought by IBE from board members, key executives and advisors, culminating in a discussion about the report at our board meeting in March 2025.
- Following this discussion, the board agreed to implement actions across the following four areas, with the monitoring and tracking of these actions delegated to the company secretary:
  - Succession planning, induction and leadership interactions: succession planning will focus on the key roles and skills required within the board and senior management for the new strategy. This will include the creation of further opportunities or interactions with management who have high leadership potential.
  - Performance management culture: ensure that bp has a culture where members of the leadership team are held to account for performance delivery and capital allocation.
  - Risk management and governance: more in-depth discussions around emerging risks and their potential impact on organizational resilience and sustainability.

### Diversity statistics and outcomes

As at 31 December 2024, 55% of the board were women, two senior board positions were held by women and three directors identified as being from a minority ethnic background, which exceeds the UK Listing Rules targets. For further numerical data on the ethnic background and gender identity or sex of bp's board and executive management, in line with the UK Listing Rules, see [page 111](#).

As at 31 December 2024, senior management, defined as the leadership team (being the first layer of management below board level) and the company secretary, in accordance with the UK Corporate Governance Code 2018, and their direct reports comprised 50% women (2023 51%) and 29% Black, Asian and other ethnic minority individuals (2023 26%).

bp has an ethnicity ambition to 2025, read more about this on [page 58](#).

<sup>a</sup> The committee engaged Heidrick & Struggles, Korn Ferry, Spencer Stuart, Egon Zehnder and MWM Consulting in support of search activity for new board candidates. None of the search agents have any connection with the company or individual directors, save that Spencer Stuart supports on executive recruitment and Egon Zehnder provides advice and support on bp's executive development programme.

<sup>b</sup> There is no connection between Independent Board Evaluation and either bp or the individual directors.

## Directors' remuneration report

**Tushar Morzaria**  
Interim remuneration  
committee chair



“2024 has been a challenging year operationally but one in which bp has set the foundations for growth as a simpler, more efficient business.”

### Meetings and attendance

The chair and the chief executive officer (CEO) are standing attendees, except for matters relating to their own remuneration. The CEO is consulted on remuneration of the chief financial officer (CFO) and the leadership team, and receives input from the committee on remuneration across the wider workforce. Both the CEO and CFO are consulted on matters relating to the group's performance and the metrics adopted for each performance cycle.

bp's EVP people, culture & communications, SVP reward, external advisors and other executives may attend where necessary. The committee consults other board committees on the group's performance and on issues relating to the exercise of judgement or discretion as necessary.

The committee met seven times during 2024 and all directors attended each meeting.

Non-executive directors	Six scheduled meetings	One ad-hoc meeting
Tushar Morzaria: member (September 2020), interim chair of the committee (April 2024) <sup>a</sup>	6/6	1/1
Paula Rospit Reynolds: member (September 2017), chair of the committee (May 2018 to April 2024) <sup>a</sup>	2/2	1/1
Dame Amanda Blanc: member	6/6	1/1
Pamela Daley: member	6/6	1/1
Melody Meyer: member	6/6	1/1

<sup>a</sup> Paula Rospit Reynolds stepped down from the board at the 2024 AGM. Tushar Morzaria was appointed as interim remuneration committee chair from this date.

### Key

**TCFD** Information that supports TCFD Recommendations and Recommended Disclosures in relation to Governance (see [pages 42-45](#))

### Role of the committee

The role of the committee is to determine and recommend to the board the remuneration policy and to set chair, executive director and leadership team remuneration. In determining the policy, the committee takes into account various factors, including wider workforce remuneration, structures and alignment of reward with performance, thus promoting the long-term success of the company. The committee also reviews workforce remuneration and monitors related policies, satisfying itself that incentives and rewards are aligned with bp's goals and culture.

### Key responsibilities

A summary of the committee's terms of reference is on [page 335](#) and the full terms can be reviewed at [bp.com/governance](https://bp.com/governance).

### Key areas of focus in 2024

- **Change in leadership** – set the remuneration terms for the CEO and CFO, who were appointed to their respective roles on 17 January 2024 and 2 February 2024.
- **Workforce engagement** – engaged with the wider workforce on performance, reward and wellbeing. This included holding a workforce engagement programme session in May 2024, where selected employees were invited to discuss bp's approach to reward and employee engagement.
- **Remuneration outcomes** – agreed the outcomes of incentive awards for executive directors, including reviewing performance 'in the round' and determining whether discretion should be exercised. Monitored in-flight progress of equity and bonus awards.
- **Performance measures** – discussed and agreed the performance measures for the 2024 annual and long-term performance scorecards to ensure alignment with bp's strategy. This included reflecting on our sustainability measures and seeking input from the safety and sustainability committee. **TCFD**
- **Framework on fatalities** – reflected on the impact of fatalities on annual bonus outcomes and introduced a framework to help guide decisions going forward.
- **Merit-based reviews** – reviewed pay for performance arrangements for the leadership population in line with bp's reward principles.

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## Chair's introduction

### Dear fellow shareholders,

On behalf of the board, I am pleased to present our 2024 directors' remuneration report.

This report provides an overview of our current remuneration policy, details the remuneration decisions we have made in respect of the year ended 31 December 2024 and provides a summary of how the policy is being implemented this year.

As this is my first report since being appointed as interim chair of the remuneration committee in April 2024, I would like to take this opportunity to thank my predecessor, Paula Rosput Reynolds, for her exemplary leadership since 2018.

I intend to continue in my interim role until at least the 2025 AGM in order to provide a robust and timely handover with the incoming remuneration committee chair once appointed to the board.

### Business performance

2024 has been a challenging year operationally but one in which bp has set the foundations for growth as a simpler, more efficient business. Significant progress has been made in 2024 to focus, high grade and reshape bp's portfolio. bp delivered operating cash flow★ of \$27.3 billion and adjusted EBITDA★ of \$38.0 billion with upstream production 2.0% higher than in 2023.

There were also a number of strategic milestones, with final investment decision (FID) taken on 10 major projects★ and establishing key strategic partnerships.

In July 2024, bp made the FID on the Kaskida project in the Gulf of America, demonstrating our long-term commitment to delivering reliable and affordable energy. Further, progress was made in Iraq and India, where we agreed new access on a material scale. We have also made progress with our renewables business. Significant among them were our holdings in Lightsource bp and Bunge Bioenergia being raised to 100%. In addition, the proposed joint venture with JERA Co., Inc. will create a leader in offshore wind development and help grow the scale of the business in a capital-light way for bp.

Alongside this strategic progress, bp delivered a \$0.8 billion reduction in structural costs★ during the year, creating a strong platform for 2025.

Nevertheless, it was a difficult year in parts of our customers & products businesses, particularly in refining. Margins were lower and the significant power outage at our refinery in Whiting had a direct impact on our operational and financial performance during the year, which is in turn reflected in remuneration outcomes.

The macroeconomic environment and lower prices added to a challenging backdrop.

<sup>a</sup> The directors' remuneration report in the *bp Annual Report and Form 20-F 2023* refers to an 'adjusted free cash flow' measure in the 2024 annual bonus scorecard. This has the same definition as the 'modified free cash flow' measure reported here.

### Incentive outcomes

#### 2024 annual bonus

The 2024 annual bonus was based on a scorecard of performance measures across three categories: safety and sustainability (30% weight), operations (20% weight) and financials (50% weight).

#### Safety and sustainability

Safety continues to come first in everything we do at bp and we place extensive focus on ensuring that our operations run safely every day.

Safety performance is measured against the number of tier 1 and tier 2 process safety events★ (7.5% weight each). The measures are assessed independently by the safety and sustainability committee, thus providing appropriate focus on tier 1 delivery.

The committee is pleased to report that the number of tier 1 events was lower in 2024 compared to the prior year and continues the positive trend we have seen in recent years. In contrast, there was an increase in the number of tier 2 events compared to the prior year, with 35 events in 2024. This increase has negatively impacted results delivering a combined outcome of 67% of maximum.

At the start of 2024, a framework was introduced to help guide the committee's decisions on the impact of fatalities on remuneration outcomes. The framework was intended to avoid formulaic outcomes vis-à-vis fatalities, instead providing guardrails for informed judgement in the conclusions we make, while also recognizing that every incident is different and should be reflected upon individually.

I am saddened to report that there was a fatality in October 2024 in the newly acquired bp bioenergy business. Details of how the framework has been applied in respect of this year's bonus outcomes are provided on [page 98](#).

We continue our focus on sustainability. This was the first year that sustainability performance was measured against operated carbon emissions (15% weight). bp's performance was strong, delivering 1.8Mte ahead of our scorecard target, which resulted in an outcome of 84% of maximum.

#### Operations

The reliability★ and availability★ of our plants and refineries were impacted by operational challenges throughout the year, including the power outage at Whiting in February. This was partly offset by strong performance in other areas of the business, such as North Africa. The bonus outcome, however, was nil for this measure.

For 2024, we introduced a new operations measure that focused on earnings growth in our transition growth★ engines. Significant headwinds in certain parts of the business, along with the continued operational challenges within our customers & products businesses, resulted in this component of the scorecard yielding a nil outcome.

#### Financials

We have two measures of financial performance: annual adjusted EBITDA★ and modified free cash flow★<sup>a</sup>.

In line with policy, we reflect underlying performance and hence the targets for both financial measures are adjusted for the actual price environment.

Despite recovery in the latter half of the year, financial performance was impacted by the operational challenges cited elsewhere. Adjusted EBITDA delivery at \$38.0 billion and modified free cash flow at \$12.5 billion were both below threshold resulting in nil bonus outcomes.

#### Overall result

The formulaic outcome of the annual bonus was below target at 0.45 out of 2.00 (22.5% of maximum).

The committee reflected on this score and determined it was appropriate for executive directors and the senior leadership of the company covering approximately 300 employees. We did, however, apply discretion and award a higher score (but below target) to the wider workforce covering over 38,000 eligible employees in recognition of motivation and engagement levels. bp is undergoing enormous transformation and a shrinking workforce will carry significant accountability.

#### 2022-24 performance shares

The 2022-24 performance shares were measured against relative TSR (20% weight), return on average capital employed★ (ROACE) (20% weight), adjusted EBIDA per share compound annual growth rate (CAGR)★ (20% weight) and strategic progress (40% weight).

#### rTSR

For relative TSR, bp placed sixth in the comparator group which resulted in nil vesting for this measure.

#### Financials

Financial performance was strong over the three-year performance period and both performance measures achieved full vesting. The 2022-24 average ROACE was 20.9%, significantly outperforming expectations. Similarly, adjusted EBIDA per share CAGR performance of 11.1% exceeded the level required for maximum vesting.

## Directors' remuneration report continued

### Strategic progress

Strategic progress was measured based on a balance of quantitative assessment and qualitative judgement against the three strategic pillars set in 2022. This was supplemented with the committee's judgement on overall progress in the three years of this plan, especially in the final year of the plan.

As set out in the 2023 directors' remuneration report, in terms of the quantitative assessment, the committee also took into account value generation over the period, rather than focusing solely on volume metrics for each pillar of this measure. Further, the committee also considered the various actions taken by management, contextual to our evolving strategy during the three-year period.

We provide a detailed view of the committee's review of strategic progress on [pages 100-101](#).

Having considered the above, the committee determined that while commitments set out in early 2022 were not fully realized, good progress had been made. An outcome of 66% of maximum was felt appropriate for this measure.

### Overall result

Overall, performance share vesting for the 2022-24 cycle was 66.5% of maximum. The committee believes that this final outcome is an appropriate reflection of actual performance during the period and therefore has not applied any further discretion.

In determining the bonus and equity outcomes the committee has reviewed incentives holistically taking into consideration the total remuneration for Murray and Kate (2024 single figures of £5.4 million and £1.9 million respectively). We determined that this quantum for individuals managing a company of bp's size and scale felt appropriate for 2024, taking into account both the performance of the company and shareholder experience.

### Looking ahead to 2025

#### Annual pay review

Kate Thomson was appointed to the board on 2 February 2024 and her remuneration arrangements were set in line with our policy. Her base pay was set at £800,000, which was at a lower level than her predecessor and was based on her being newly appointed to the board, while also allowing for progression in role over time.

In last year's report, we noted that any future adjustment to Kate's base pay may exceed the percentage for the wider workforce subject to performance in role. Since then, the committee has reflected on Kate's performance and her competitive positioning against the policy-determined peer group. During a period of significant change for bp, Kate performed strongly and displayed impressive leadership skills. She has clearly proven her capability over the course of the year.

In light of Kate's progression in role and very strong performance to date, the committee decided that it would be appropriate to increase her base pay by 8%. This will be effective from the 2025 AGM.

For Murray Auchincloss, his base pay will increase by 4%, which is in line with the increase being awarded to the wider workforce.

When reflecting on pay decisions for executive directors, the committee remains mindful of the transformation drive in the company as well as the approach being taken for our wider workforce pay. For 2025, the average salary increase in the UK will be 4%. Adjustments in other jurisdictions vary by local conditions. All employees in the UK earn at least the UK Living Wage.

### Review of performance measures

For 2025, in line with policy, we have reviewed and aligned the measures of the bonus and performance share plan against our reset strategy, as set out on 26 February.

### Alignment with strategy and financial frame

As outlined by Murray and Kate at the Capital Markets Update in February, bp has reset its strategy, simplifying our forward-looking commitments with four primary targets; adjusted free cash flow ★ growth, structural cost reduction, ROACE and net debt ★. You will see that, where appropriate, these targets form the basis for our incentive scorecards.

Consequently, the earnings measure in the annual bonus scorecard will be replaced with a structural cost reduction measure (25% weight). By way of balance, and to signal the importance of cash delivery, the modified free cash flow measure will increase in weight from 25% to 30%.

Reflecting the focus of our strategy, we have removed the transition growth engine growth measure, and in its place increased the weighting of bp-operated reliability and availability from 10% to 15%. In doing so, we have simplified the scorecard from 6 to 5 measures.

Our focus on safety and emissions has not changed and therefore the current measures and weightings under this category will remain the same.

For performance share awards, we reflected on the appropriate mix of financial measures in the scorecard for 2025-27 – taking into consideration the priorities set out in the strategy update.

To better reflect the importance of cash generation, we have replaced the earnings measure with adjusted free cash flow CAGR ★ in our scorecard (20% weight). The committee believes the dual focus of modified free cash flow in the short term and adjusted free cash flow CAGR over the long term is appropriate for the scorecards as they bring focus and are aligned to bp's strategy.

Further, we are proposing to align the ROACE measure with our external commitments, with performance being assessed to the end of 2027 and adjusted for the environment.

All other measures from the 2024-26 plan remain unchanged.

### Alignment with stakeholders

During the year, we continued our practice of regular engagement with shareholders. We engaged with our top shareholders and investor bodies, accounting for over 35% of issued share capital, and have taken into consideration their views when determining the 2024 remuneration outcomes and 2025 performance measures. We have tried to strike a balance between broader shareholder experience and executive motivation in determining the overall bonus and share plan outcomes.

### Concluding remarks

I hope that you find this year's report a clear account of the committee's application of the remuneration policy during the year.

On behalf of the committee, I would like to extend my thanks to our various advisors, shareholders and investor bodies for their input and engagement during the year. While 2024 was a year of mixed performance, we are thankful for the support received and look forward to continuing this journey in 2025.

At the forthcoming AGM there will be an advisory vote in respect of the directors' remuneration report and I look forward to your continued support of remuneration at bp.

### Tushar Morzaria

Interim chair of the remuneration committee  
6 March 2025

## Remuneration at a glance

### Key performance highlights in 2024

**\$27.3bn**

**operating cash flow** ★  
Resilient financial performance

**\$38.0bn**

**adjusted EBITDA** ★

**+2%**

**upstream production**  
2,358mboe/d 2024 production

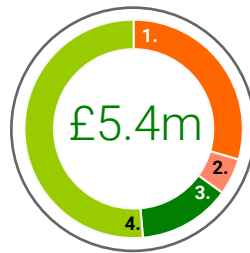
- Agreed to form offshore wind JV with JERA Co., Inc., divesting non-core assets.
- 100% ownership of bp bioenergy and Lightsource bp.
- Delivered \$0.8 billion structural cost reduction ★.
- Start-up of a major project ★ and sanctioned a further 10 projects.

### Total remuneration in 2024

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

#### Single figure

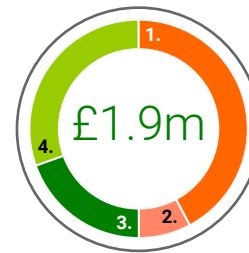
Chief executive officer



35%  
Fixed pay

65%  
Variable pay

Chief financial officer

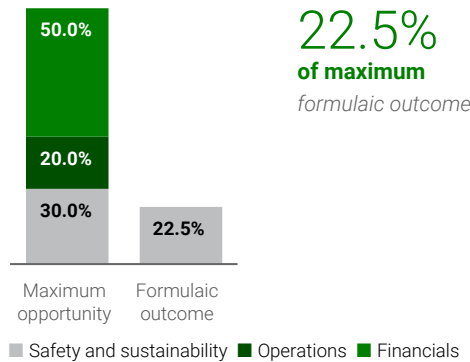


50%  
Fixed pay

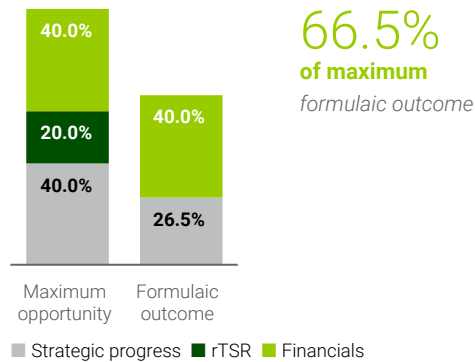
50%  
Variable pay

### Pay outcomes in 2024

Annual bonus 2024



Performance shares 2022-24



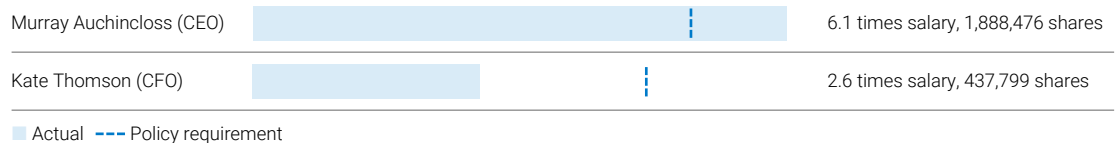
#### Application of discretion

The committee determined not to exercise discretion in determining the outcomes for the annual bonus and performance shares, reflecting on performance and the broader shareholder experience during the performance period.

### Alignment with shareholders

#### Share ownership

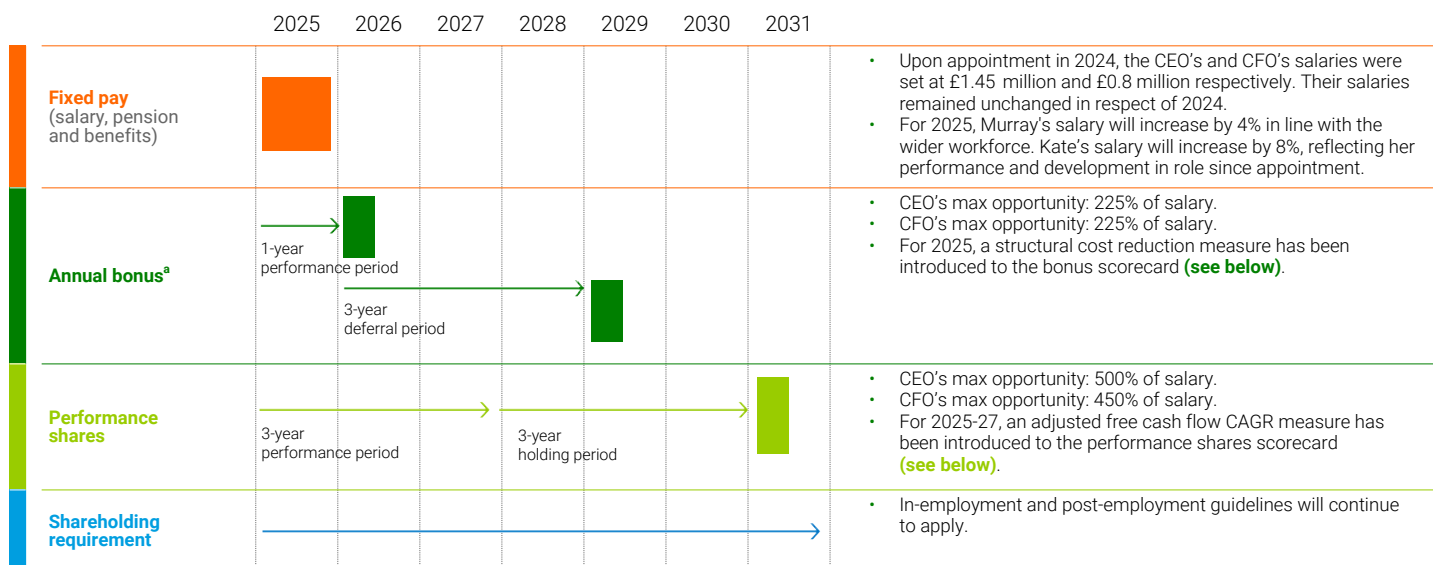
Share ownership is a key means by which the interests of executive directors are aligned with those of shareholders.



## Remuneration at a glance continued

### Application of remuneration policy for 2025

Set out below is an illustration of how the remuneration policy will be implemented for 2025.



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

### Alignment of 2025 variable remuneration with strategy

Each year, the committee aims to set a remuneration framework for executive directors that supports and incentivizes the execution of our strategy. For 2025, the performance measures in the annual bonus and performance shares scorecards have been refined to align with our reset strategy. Measures that have been introduced for 2025 have been marked with ▲ below. Further details on the rationale for their inclusion can be found on [pages 104-105](#).

	Net zero by 2050 or sooner	Financial frame	Strategy
<b>Annual bonus</b>			
<b>Safety and sustainability (30%)</b>			
Tier 1 and tier 2 process safety events ★			●
Operated carbon emissions	●		●
<b>Financials and operations (70%)</b>			
Modified free cash flow ★ (\$bn)		●	●
Structural cost reductions ★ (\$bn) ▲		●	●
bp-operated reliability ★ and availability ★			●
<b>Performance shares</b>			
Cumulative reduction % in operated carbon emissions (15%)	●		
Relative TSR (25%)		●	
ROACE ★ (20%)		●	●
Adjusted free cash flow CAGR ★ (20%) ▲		●	●
Strategic progress (20%)			●



## Directors' remuneration report continued

### Engaging with our workforce

As a committee, we spend considerable time on matters relating to performance and remuneration arrangements across the wider workforce. We believe that our people are the key to bp's success and our approach to performance and reward should be fair and consistent across the organization.

### Alignment of executive and workforce remuneration

All employees	Element of remuneration	Executive directors
<p>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.</p> <p>In setting pay budgets, we assess how employee pay is currently positioned relative to market rates, wage inflation, forecasts and business context.</p>	<b>Salary</b>	<p>The salaries of our executive directors are reviewed annually, along the same timeline as the wider workforce.</p> <p>The review of salaries will take into account the same factors considered for the wider workforce. Salary increases for executive directors will typically be at or below the workforce rate, other than in specific circumstances.</p>
<p>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.</p> <p>For our population of non-retail employees in the UK, we provide a flexible cash benefits allowance of 20% of salary. The benefits available are aligned with competitive market practice in our different jurisdictions.</p>	<b>Pensions and benefits</b>	<p>Executive directors receive a cash allowance in lieu of pension aligned with the wider workforce (currently 20% of salary).</p> <p>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.</p>
<p>More than half of the eligible workforce participate in an annual cash bonus plan that multiplies a grade-based target bonus amount by a bp performance factor derived from the bonus scorecard.</p> <p>Select participants may be nominated to receive an uplift to their bonus outcome, reflecting their personal contribution and impact.</p> <p>We operate different bonus plans for those distinct parts of our business where market practice is markedly different.</p>	<b>Annual bonus</b>	<p>The annual bonus for the executive directors is linked to the same bp performance factor as for the wider workforce.</p> <p>Executive directors are not entitled to a bonus uplift linked to individual performance.</p> <p>For executive directors, a portion of any award is deferred into shares for three years. The deferral rate depends on whether the executive director has met their minimum shareholding requirement.</p>
<p>We operate share plans with three-year vesting for all our senior leaders.</p> <p>Opportunity varies across two broad tiers: group leaders (approximately 300) and senior-level leaders (approximately 4,500).</p>	<b>Performance shares</b>	<p>Executive directors are eligible for performance share awards, which are subject to stretching performance targets over a three-year period.</p> <p>An additional three-year post-vesting holding period applies for executive directors.</p>

### Other elements of pay

#### Recognition

energize!, our global recognition platform, is open to all employees for peer-to-peer recognition. The scheme aims to celebrate employee's contributions, highlight behaviours vital to our success and drive a performance edge. In 2024, a total of 38,800 energize! awards were made.

We also operate a spot bonus programme, where individuals or teams can be nominated to receive a one-off cash award to recognize their achievements.

Senior leaders and our executive directors fully participate in the programmes, typically by giving recognition.

#### Focus@bp

At bp, focus@bp is our internal platform that helps support performance development. The platform enables employees to set dynamic goals, have regular check-ins, give and receive meaningful feedback and grow skills to enable our teams to develop and deliver.

We believe that performance matters, both individually and collectively, and development is key in helping to improve our performance as a business.

focus@bp forms the basis of discussions relating to development or progression and is factored in when making decisions in relation to an individual's remuneration.

#### All-employee share plan

bp operates an award-winning global ShareMatch programme which is available to over 18,000 employees in 46 countries.

This plan offers our employees the opportunity to invest and share in bp's success, fostering a culture of shared ownership.

At the end of 2024, the participation rate in the scheme was 65% of eligible employees.

# Directors' remuneration report continued

## Workforce highlights in 2024

### Supporting employees during transformation

#### Health and wellbeing

Within the context of our ongoing organizational transformation, we have deepened our global wellbeing resources to help support our employees during this time.

We have created new education modules for leaders to help support their teams through change, hosted sessions to help equip our people with tools to navigate change, worked collaboratively with our employee assistance programme partner to deepen their support resources including introducing a new product to offer proactive check-ins with a counsellor and offering a broad range of webinars and educational material.

#### Fostering a high-performance and inclusive culture

We remain focused on building a performance-based organization, that is representative of the world around us and an inclusive culture that creates a sense of belonging where people can perform at their best.

As part of organizational transformation, we have embedded assurance processes within the selection process centred around promoting fairness and inclusivity for all. In addition, we have engaged with our business resource groups, using listening sessions and regular feedback channels to understand concerns and requests for support.

### Reward in our new businesses

As we have acquired a number of new businesses – including TravelCenters of America in May 2023 and more recently Lightsource bp and bp bionergy in October 2024 – we have reviewed the reward framework of each new business on an individual basis. As part of these reviews, it is recognized that a universal approach may not meet the unique needs of the business.

As part of this process, consideration is given to the local market and talent pool in which the new business predominately operates. For example, the acquisition of TravelCenters of America fundamentally changed our US footprint. The deal added a network of around 290 retail sites across the US and over 20,000 employees to bp's population. Therefore, when reflecting on our reward offering the focus has been on simplification and aligning incentives with the US retail market.

This differs from the approach taken at bp bioenergy, where the workforce consists of over 8,800 employees and 5,600 contractors across our operated mills in Brazil and the annual reward cycle is based on a March year-end in line with the local crop season.

From a safety perspective, our intention is to embed bp's safety culture, operating systems and practices across all our businesses. We acknowledge this can take time depending on the complexity of the newly acquired business<sup>a</sup>.

### Workforce engagement

bp places particular importance on engaging with employees, recognizing that it is critical to have an engaged workforce to deliver our strategy.

We aim to have an open dialogue between the board, senior management and the wider workforce and encourage employees to share their views. For example, employees are kept regularly informed of matters of interest to them through bp's intranet, social media channels, town halls, site visits and webinars.

During 2024, we continued to actively seek employee views through a variety of discussion groups. We held a number of employee-led forums and consulted our business resource groups, with a board-led session as part of the workforce engagement programme (WFEP) in May 2024 (see right).

More detail on bp's WFEP can be found on **page 78**.



Employees at our Cherry Point refinery, US

“ We have worked to develop a bp where our people can be themselves and work in a company that cares while also delivering results... ”



### Shareholder views

We are committed to ongoing engagement with our shareholders. We believe it is important to meet regularly to understand their views on our remuneration arrangements and their evolving expectations.

Feedback received frames our decisions on executive pay and other topics.

 [bp.com/reportingcentre](https://www.bp.com/reportingcentre)

### Employee forum

In May 2024 we held a WFEP session with selected employees from different locations across the globe.

The session was led by Dame Amanda Blanc, senior independent director, and Kerry Dryburgh, EVP people, culture & communications.

The focus of the session was on performance, reward and employee engagement, with employees taking the opportunity to share their personal views and experiences of working at bp.

In the session, individuals commented on the strong sense of culture at bp, referencing how our values are clearly present in day-to-day activities. The recent changes to reward, such as the introduction of a bonus uplift relating to individual performance, were also well received and considered motivational.

Key themes of the session were shared with the committee and have provided valuable insight.



Oak Tree retail site, Surrey, UK

<sup>a</sup> For recently acquired businesses, there is typically a transition period while bp's operating standards, as set out in our Operating Management System<sup>★</sup>, are integrated or aligned.

## Executive directors' pay for 2024

### Single figure table – executive directors (audited)<sup>a</sup>

	Murray Auchincloss <sup>b</sup> thousand 2024	Kate Thomson <sup>c</sup> thousand 2024	Murray Auchincloss <sup>b</sup> thousand 2023
<b>Salary</b>	<b>£1,450</b>	<b>£731</b>	£1,015
<b>Benefits</b>	<b>£132</b>	<b>£67</b>	£338
<b>Cash allowance in lieu of pension</b>	<b>£290</b>	<b>£146</b>	£190
<b>Annual bonus<sup>d</sup></b>	<b>£734</b>	<b>£370</b>	£1,839
<b>Performance shares<sup>e,f</sup></b>	<b>£2,750</b>	<b>£575</b>	£4,362
<b>Total remuneration</b>	<b>£5,356</b>	<b>£1,889</b>	£7,744
Total fixed remuneration	<b>£1,872</b>	<b>£944</b>	£1,543
Total variable remuneration	<b>£3,484</b>	<b>£945</b>	£6,201

a Due to rounding, the totals may not agree exactly with the sum of the component parts.

b Murray Auchincloss was appointed interim CEO on 12 September 2023, having previously been CFO. He was appointed as the permanent CEO on 17 January 2024.

c Kate Thomson was appointed as permanent CFO and joined the board effective from 2 February 2024. The amounts disclosed reflect her service in the year as an executive director.

d In line with the 2023 policy, annual bonus is subject to deferral into shares for three years at a rate of 33% or 50%, depending on whether an individual has met their minimum shareholding requirement. See page 97 for further detail on the approach taken for the 2024 annual bonus.

e For Murray Auchincloss, the value of the performance share award has been calculated using the average share price in the last three months of 2024 of £3.90 and includes notional dividends accrued up to 14 February 2025. For 2023, the performance shares have been restated to reflect the share price on the date of vesting of £4.52 and actual dividends received.

f For Kate Thomson, the value of the performance share award relates to her previous role prior to her appointment to the board, but has been included in the table above for transparency. The award has been calculated using the average share price in the last three months of 2024 of £3.90 and includes notional dividends up to 14 February 2025. For 2022-24, performance share awards below board had a different scorecard to executive directors, which resulted in an outcome of 73% of maximum.

### Overview of single figure outcomes

#### Salary

On 12 September 2023, Murray Auchincloss was appointed as CEO on an interim basis and his base pay was set at £1.45 million. This remained unchanged upon appointment to CEO on 17 January 2024. Kate Thomson was appointed CFO on 2 February 2024 and her base pay was set at £800,000.

Given their recent appointments, neither executive director received an increase in respect of 2024 as part of the annual salary review.

#### Benefits

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

Murray Auchincloss's taxable benefits materially decreased year-on-year due to the phasing out of transitional car-related benefits as reported in the 2023 directors' remuneration report.

#### Cash allowance in lieu of pension

In line with the 2023 directors' remuneration policy, executive directors receive a cash allowance in lieu of pension of 20% of salary. This is in line with the wider workforce in the UK.

## Directors' remuneration report continued

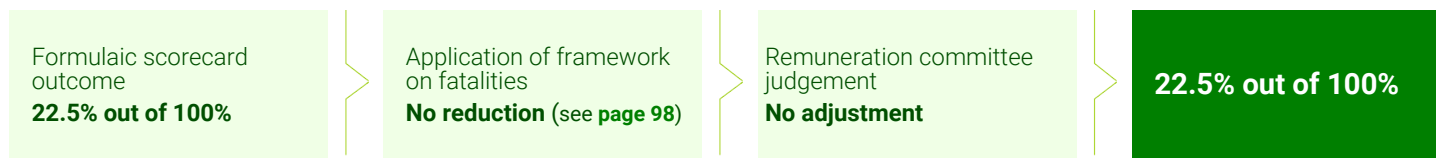
### Annual bonus

For 2024, the committee assessed performance against a bonus scorecard of measures across three categories: safety and sustainability, operations and financials. These measures were aligned with our strategy and investor proposition as set out at the beginning of the year.

### 2024 annual bonus scorecard and outcome



Categories	Measures	Threshold (0%)	Target (50%)	Maximum (100%)	Weight	Outcome
<b>Safety and sustainability</b> (30% weight)	Tier 1 process safety events ★	14	9	5	7.5%	7.5%
	<b>Actual: 3</b>					
	Tier 2 process safety events ★	39	33	26	7.5%	2.5%
		<b>Actual: 35</b>				
	Operated carbon emissions (MtCO <sub>2</sub> e)	38.2	35.5	32.8	15%	12.5%
		<b>Actual: 33.7<sup>a</sup></b>				
<b>Operations</b> (20% weight)	bp-operated reliability ★ and availability ★	95.1%	95.9%	96.7%	10%	0%
	<b>Actual: 94.7%</b>					
	Transition growth ★ engine adjusted EBITDA % growth (vs. 2023)	50%	100%	150%	10%	0%
		<b>Actual: Below threshold</b>				
<b>Financials</b> (50% weight)	Modified free cash flow ★ (\$bn)	13.2	14.7	16.2	25%	0%
	<b>Actual: 12.5</b>					
	Adjusted EBITDA ★ (\$bn)	39.4	40.9	42.4	25%	0%
		<b>Actual: 38.0</b>				
<b>Formulaic outcome</b> (out of 100%)						<b>22.5%</b>



<sup>a</sup> Operated carbon emissions for bonus calculation purposes (33.7MtCO<sub>2</sub>e) slightly differs from the figure reported elsewhere in the *bp Annual Report and Form 20-F 2024* (33.6MtCO<sub>2</sub>e) due to the timing of the committee's bonus outcome decision.



## Summary of performance

**Safety performance**, as measured by tier 1 and 2 process safety events ★, was strong with a mechanical outcome achieving between target and maximum performance. The number of tier 1 events is less than the prior year, with 3 events in total for 2024 (9 in 2023). This is our lowest recorded number on record and continues the downward trend seen in recent years. For tier 2 events, there was an increase compared to the same period last year, with 35 events in total for 2024 (30 in 2023).

**Sustainability performance** was previously assessed against sustainable emissions reductions (SER). bp transitioned to use operated carbon emissions from 2024, as it is a more holistic and inclusive measure that represents the full breadth of possible operational movements and is better suited to driving ownership and delivery across the business.

For 2024, operated carbon emissions of 33.7MtCO<sub>2</sub>e achieved an outcome between target and maximum and is reflective of our strong progress against net zero operations milestones. The most significant reductions in the year came from flaring reductions and increased reliability in the Azerbaijan, Georgia and Türkiye region and efficient project start-ups.

Emission reduction projects totalling 0.42MtCO<sub>2</sub>e implemented by our business in 2024 included: our Gelsenkirchen refinery replaced imported steam from a coal-fired power plant with steam produced in our own gas-fired boilers; bpx energy's central distribution projects, Karnes and Bingo, which enabled decommissioning of legacy natural gas-driven equipment; and restoration of cooling water infrastructure at Cherry Point to reliably meet refinery needs and improve the efficiency of compressor operations.

Further detail on safety and sustainability performance over the year is provided in the safety and sustainability committee (S&SC) report on [page 80](#).

**Reliability and availability** is a combined measure of bp-operated refining availability ★ and bp-operated plant reliability ★ with a performance outcome of 94.7% – achieving a nil outcome. Plant reliability strengthened year-on-year to 95.2% (95.0% in 2023). However, refining availability was impacted by the Whiting power outage in Q1 2024 and was below threshold at 94.3%.

**Transition growth ★ engine adjusted EBITDA ★ (% growth)** was introduced as a more holistic measure focused on transition growth engine financial delivery over the year. The measure is assessed based on annual growth against a 2023 baseline and has achieved a nil vesting outcome. This was primarily driven by lower than expected delivery in bioenergy, convenience and power trading.

Financial performance, as measured by **modified free cash flow ★ and adjusted EBITDA**, was below target. bp generated modified free cash flow of \$12.5 billion and adjusted EBITDA of \$38.0 billion, which resulted in a nil outcome for both measures. Our targets are environment-adjusted at year-end and the revised targets for modified free cash flow and adjusted EBITDA were \$14.7 billion and \$40.9 billion respectively.

## Overall outcome

The formulaic score for the 2024 annual bonus was 22.5% of maximum.

The committee considered bp's framework on fatalities when reflecting on the formulaic outcome. Sadly, there was one fatality during the year within our recently acquired biofuels business. Full details on the application of the framework have been provided on [page 98](#).

Having considered the above, alongside a holistic review of performance, the committee determined that no discretion would be applied to the formulaic outcome for executive directors.

## Approach to deferral

In relation to the policy on deferral requirements, the committee reviewed the executive directors' shareholding during the year to assess if the minimum shareholding requirement had been met.

As at 14 February 2025, the CEO's shareholding represented 6.1x salary. This is above the minimum shareholding requirement for the CEO of 5x salary and his 2024 award will therefore be subject to a deferral rate of 33%. While the CFO has made strong progress towards her minimum shareholding requirement since her appointment last year, her shareholding represented 2.6x salary on 14 February 2025. This is below her requirement of 4.5x of salary and her 2024 award will therefore be subject to a deferral rate of 50%.

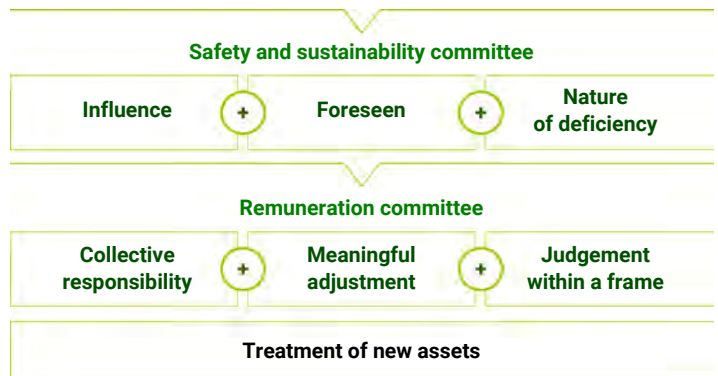
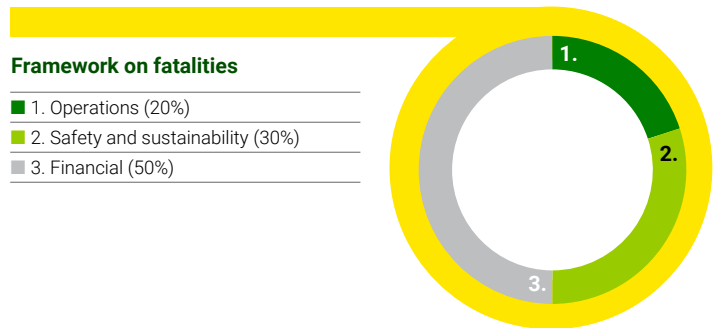
# Directors' remuneration report continued

## bp's framework on fatalities

We are working towards our goal of eliminating workplace fatalities. We have implemented a new framework on fatalities. This framework, developed in consultation with shareholders and the safety and sustainability committee, links safety performance directly to the bonus scorecard.

Full details of our framework on fatalities can be found in the 2023 directors' remuneration report.

 [bp.com/investors](https://bp.com/investors)



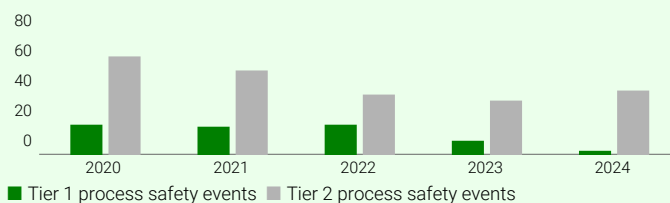
## What happened during the year?

Our goal is eliminating fatalities, life-changing injuries and tier 1 process safety events.

### Safety performance in 2024

During the year, we made good progress in reducing the number of tier 1 events with our lowest recorded number on record – continuing the downward trend we have seen in recent years. For tier 2 events, there was an increase compared to 2023.

### Process safety events over past five years



This result is reflective of our efforts to improve process safety at bp.

However, this positive performance was overshadowed by the sad news of a fatality in our newly acquired biofuels business (acquired on 1 October 2024) during the year. The incident occurred in mid-October 2024 in Brazil during maintenance activities. While there were no other fatalities during 2024, there were four life-changing injuries. We are taking action to learn from these incidents to help us make further improvements from a personal safety perspective.

## How was the framework applied?

The committee consulted the framework in determining the impact of the individual fatality on the 2024 bonus outcome.

### Treatment of new assets

The framework allows for major acquisitions to be excluded for an initial period to enable the embedding of bp's safety culture, operating systems and practices.

While a fatality in an excluded new asset will not impact the group bonus score during this transition period, there will be consideration of safety performance within this business during the year – with any adjustments being made locally.

### Biofuels incident

In September 2024, prior to the completion of the acquisition, the committee determined that the biofuels business should be excluded for three bonus performance years (i.e. up to the 2026 performance year) for bp employees. This is reflective of the complexity of the business, with over 8,800 employees and 5,600 contractors operating in 11 mills across Brazil.

The acquisition completed on 1 October 2024. From this date, bp had direct operational accountability and was able to start the process of onboarding our Operating Management System (OMS) ★. The fatality occurred mid-October and therefore within the exclusion period for the group scorecard.

## What was the outcome?

In line with our framework, the committee determined that applying a discretionary adjustment to the formulaic outcome on group-wide bp staff for the fatality in the newly acquired biofuels business would not be appropriate. The incident is, however, expected to have a material impact on local bonus outcomes – with final determinations being made after the business' year-end in March.

## No adjustment

resulting in a final bonus score of 22.5% for executive directors.

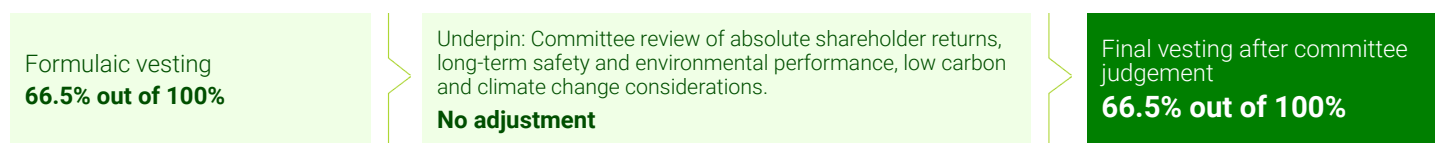
## 2022-24 performance share plan scorecard and outcome

2022-24 performance shares were granted under the executive directors' incentive plan (EDIP). The scorecard for this cycle consists of relative total shareholder return (rTSR) (20% weighting), return on average capital employed (ROACE★) (20% weighting), adjusted EBIDA per share CAGR★ (20% weighting) and strategic progress (40% weighting).

### 2022-24 performance share plan scorecard (audited)



Categories	Measures	Threshold performance	Maximum performance	Weight	Outcome
<b>rTSR</b> (20% weight)	rTSR	Fourth	First	20%	0%
		Actual: Sixth			
<b>Financials</b> (40% weight)	ROACE (average 2022-24)	13.7%	14.7%	20%	20%
		Actual: 20.9%			
	Adjusted EBIDA per share CAGR	7.7%	9.7%	20%	20%
		Actual: 11.1%			
<b>Strategic progress</b> (40% weight)	Deliver value through resilient hydrocarbon business	Qualitative and quantitative assessment by the committee, see <a href="#">pages 100-101</a> .		40%	26.5%
	Demonstrate track record, scale and value in low carbon energy				
	Accelerate growth in convenience and mobility				
<b>Formulaic outcome</b> (out of 100%)					<b>66.5%</b>



## Relative TSR

During the performance period, bp's rTSR performance placed it sixth out of eight in the comparator group which resulted in nil vesting.

## Financials

Performance for ROACE and adjusted EBIDA per share CAGR were both strong, at 20.9% and 11.1% respectively over the period, and resulted in maximum vesting of these measures.

As part of the review of outcomes, the committee considers the impact of the external environment with respect to ROACE outcomes, and in respect of adjusted EBIDA per share CAGR the committee reviews share buyback activity outside of plan during the performance period. It determined that, in line with past practice, no further adjustments should be made to either of these elements for the 2022-24 cycle.

# Directors' remuneration report continued

## Strategic progress

### Overview of strategic progress (2022-24)

Performance of this measure has been challenging to assess as it spans a three-year period that has seen significant change. Our strategy has continued to evolve and update and the criteria we set back at the start of the performance period (2022) to judge progress do not fully reflect current expectations. Alongside assessment against three key pillars (established in 2022), the committee have also taken a broader review of the shareholder experience over the performance period. Further, there has been consideration of mid-cycle changes we have experienced during the performance period, such as bp's updated transition strategy in February 2023 and the key strategic initiatives during 2024 which have laid our foundation for growth. In summary:

- **Resilient hydrocarbons:** Performed well across the board, with strong production delivery, plant reliability★ and unit costs. This was offset by operational challenges during the period which primarily impacted refining availability★. Ultimately, financial performance was strong against this pillar.
- **Low carbon energy:** Progress was mixed with a number of key initiatives completed as management adapted to our evolving strategy and tough market conditions.
- **Convenience and mobility:** bp performed well across our suite of volume measures, but a very challenging market meant financial delivery was lower than expected.

**Overall performance:** During the period, bp has achieved a number of strategic milestones – particularly in the last year of the performance period – and is well positioned to drive future growth.

## 1. Deliver value through a resilient hydrocarbon business KPIs (as set in 2022)

### Unit production cost ● On track

Unit production costs remain on track against 2025 target of \$6.00/boe, with an average of \$6.01/boe over the three-year period.

2022	2023	2024	2025 target
\$6.1/boe	\$5.8/boe	\$6.2/boe	<b>\$6.0/boe</b>

### Plant reliability ● On track

Average delivery over performance on track to meet the 2025 target of 96.0%. Focus remains on production management and delivering higher reliability targets.

2022	2023	2024	2025 target
96.0%	95.0%	95.2%	<b>96.0%</b>

### Refining availability ● Improvement required

For 2024, performance was affected by the plant-wide power outage at Whiting. Excluding this event would have meant we were on track to reach target.

2022	2023	2024	2025 target
94.5%	96.1%	94.3%	<b>96.0%</b>

#### Overview

- Continued high grading of portfolio to drive higher margins. Completed joint venture conversions in Angola and Iraq, extended Indonesia production-sharing contract, completed 10 major projects and increased bpx production by 33%.
- Production on track with 2024 progress broadly on plan. 2022 and 2023 production were +2% vs. plan.
- The hydrocarbon business performed well against adjusted EBITDA and free cash flow measures – with actual performance ahead of expectations for both measures.

## 2. Demonstrate track record, scale and value in low carbon energy KPIs (as set in 2022)

### Developed renewables to FID★● Improvement required

To the end of 2024, bp has delivered 8.2GW to FID (bp net). The main contributions have come from Lightsource bp and the 100% bp solar pipeline (Cygnus). The solar sector has been significantly impacted by increased interest rates, inflation and supply issues. Offshore wind has been materially impacted by supply chain inflation across all sub-sectors including turbines and vessels.

While good progress has been made, 2025 targets were challenging and performance under this measure is tracking behind expectations.

2022	2023	2024	2025 target
5.8GW	6.2GW	8.2GW	<b>20GW</b>

### Renewables pipeline★● Strong progress

Over the three-year period, there has been substantial growth in our renewables pipeline. This has largely been driven by Lightsource bp and success in our bids within offshore wind.

In hydrogen, projects portfolio has been prioritised based on returns and feasibility, with the business achieving four recent FIDs.

2022	2023	2024
37.2GW	58.3GW	60.6GW

#### Overview

- The low carbon energy pillar has materially transformed since the setting of targets in 2022. From a period of volume-driven origination, bp has moved into a stage of consolidation, portfolio reset and focus across all businesses within a more constrained capital frame.
- Low carbon energy delivered lower adjusted EBITDA than expected over the period. This was attributable to the challenging solar market in the US in 2023 and rapid ramp-up in hydrogen and offshore wind.



### 3. Accelerate growth in convenience and mobility KPIs (as set in 2022)

#### Convenience margin growth ★ ● On track

In 2023, the acquisition of TravelCenters of America was completed. This is expected to substantially grow bp's global convenience gross margin ★ in coming years and bring growth opportunities – as seen by strong performance in 2024 (17% vs. 2025 target of 10%).

2022	2023 <sup>a</sup>	2024	2025 target <sup>a</sup>
9%	9%	17%	10%

#### Strategic convenience sites ★ ● Ahead

We remain on track to meet our 2025 target of 3,000 sites. This has been supported by the full ownership of *Thorntons* in 2021 and acquisition of TravelCenters of America.

2022	2023	2024	2025 target
2,400	2,850	2,950	3,000

#### Castrol performance (revenue) ● On track

Castrol has continued to demonstrate year-on-year earnings and volume growth, as well as completing a number of strategic initiatives, including a new strategic partnership with Audi in Formula 1 and diversifying into battery-swapping ecosystems.

2022	2023	2024	2025 target <sup>b</sup>
\$6.9bn	\$7.0bn	\$6.9bn	n/a

#### Overview

- Performance across the convenience and mobility pillar has been strong versus the targets we set at the beginning of 2022. However, market conditions have been challenging which has impacted financial delivery, leading to mixed performance.
- During the period, financial performance was impacted by cost inflation, challenging market environments and prolonged impact of COVID-19 on businesses such as *Castrol*.

a 2023 excludes the acquisition of TravelCenters of America. The 2025 target represents the wider aim of achieving ~10% CAGR by 2030 (as set in 2023).

b The *Castrol* performance KPI was retired during the performance period and performance has therefore been considered 'in the round' including reference to earnings and volume growth.

#### Overall assessment

In progressing our strategic agenda, we have not only reviewed performance against the three strategic pillars of our previous strategy but also key strategic highlights, many of which culminated in the last year of the performance period, including:

##### Low carbon energy

- Completed transactions for 100% ownership of bp Bunge Bioenergia and Lightsource bp.
- New joint ventures including JERA Nex bp with JERA Co., Inc.

##### Resilient hydrocarbons

- Sanctioning 10 higher value major projects – including Kaskida and Tangguh UCC.
- Agreeing new access to resources in regions we know well, like the Middle East and India, where we are now technical services providers for the country's largest offshore oil and gas field.
- Gas is now flowing at our Greater Tortue Ahmeyim (GTA) project off the coast of

West Africa. Once fully commissioned, it is set to produce 2.4 million tonnes of LNG annually.

##### Convenience and mobility

- In 2024, *Castrol* grew underlying earnings by 14% and has demonstrated six consecutive quarters of year-on-year underlying earnings growth.

##### Financial

- Delivery of structural cost reductions of around \$0.8 billion in 2024. This more than offsets significant increases from inflation, foreign exchange and costs associated with growing the business. Overall, we reduced our underlying operating expenditure by

\$300 million towards our target of \$4-5 billion of structural cost reductions by end-2027.

##### Resulting score

Accounting for delivery (volume and value), bp's evolving strategic context and the above strategic milestones, the committee determined performance against this measure should result in 66% of maximum vesting (2021-23: 75% of maximum).

Strategic progress remains a key component of our long-term scorecard for outstanding awards and the committee will continue to apply judgement within the context of broader strategic delivery.

#### Other vesting considerations

Along with the results from the scorecard measures, the committee considers an 'underpin' to the formulaic outcome in order to determine the final vesting percentage. The underpin broadens our performance assessment, allowing us to consider vesting outcomes with overall alignment to absolute shareholder returns, environmental and safety factors and progress in matters relating to low carbon and climate change. Where relevant, we take input from the safety and sustainability committee and the audit committee to deepen and enhance our perspective.

Having considered the above, the committee concluded that the vesting outcome was suitably reflective of the company's underlying performance and the experience of shareholders overall. The committee agreed it was not necessary to apply discretion to the formulaic outcome and approved vesting of 66.5% for the 2022-24 EDIP award. This decision yields the outcome shown in the table below for the CEO. The scorecard detail is shown on [page 99](#).

#### 2022-24 performance share plan outcome (audited)

	Shares awarded	Unvested shares following application of performance factor	Value of unvested shares following application of performance factor	Impact of share price change <sup>a</sup>
Murray Auchincloss	937,500	704,790	£2,749,950	£-317,649
Kate Thomson <sup>b</sup>	89,300	147,391	£575,090	£15,815

a These values reflect the impact of the change in share price since grant related to the number of shares which are no longer subject to performance conditions, including dividend equivalents accrued at 14 February 2025. The face values of these awards were calculated using a market price of ordinary shares at close on the dates of award, as follows: £4.35 on 26 May 2022 and £3.79 on 17 June 2022 respectively. The average share price during Q4 2024 was £3.90. The amount reported as 2024 income in the single figure is therefore £2.750 million for Murray and £0.575 million for Kate.

b Kate Thomson's award was made under the below board performance share plan where grants are made at 50% of maximum, rather than at 100% of maximum as for the EDIP. For 2022-24, performance share awards below board had a different scorecard to executive directors, which resulted in an outcome of 73% of maximum.

## Directors' remuneration report continued

### Policy implementation for 2025

The current remuneration policy was approved by shareholders at the 2023 annual general meeting on 27 April 2023. The full policy is displayed on the company's website at [bp.com/remuneration](https://www.bp.com/remuneration). The table below shows how the remuneration policy will be implemented in 2025, alongside a summary of key features.

Element	Policy feature	2025 implementation
<b>Salary</b>	<p>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.</p> <p>When setting salaries, the committee considers practice in other energy majors as well as European and US companies of a similar size, geographic spread and business dynamic to bp. Percentage increases for executive directors will not exceed that for the wider workforce, other than in specific circumstances identified by the committee (e.g. in response to a substantial change in responsibilities).</p> <p>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.</p>	<ul style="list-style-type: none"> <li>Murray Auchincloss's salary will increase by 4%, in line with the wider workforce, to £1,508,000 following the 2025 AGM.</li> <li>Kate Thomson's salary will increase by 8% to £864,000 following the 2025 AGM. This is to reflect her development in role and leadership for the Finance function since appointment in February 2024.</li> <li>The budgeted increase to our UK salaried staff effective from 1 April 2025, our annual salary review date, will be 4%.</li> </ul>
<b>Pensions and benefits</b>	<p>Executive directors normally participate in the company retirement plans that operate in their home country.</p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>Murray and Kate's cash allowance in lieu of pension is 20% of base pay (in line with the wider workforce).</li> <li>Prior to their appointment as executive directors, Murray received a US deferred pension and Kate received a UK deferred pension. No further pension is accrued under either plan.</li> <li>Benefits will remain unchanged for 2025 and include car-related provisions, security assistance, insurance and medical cover.</li> </ul>
<b>Annual bonus</b>	<p>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.</p> <p>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.</p> <p>Target bonus is 112.5% of salary, and maximum bonus is 225% of salary.</p> <p>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.</p> <p>Awards are subject to operationally robust and effective malus and clawback provisions as described below.</p>	<ul style="list-style-type: none"> <li>For 2025, our scorecard will be assessed against the following categories: safety and sustainability (30%) and financials and operations (70%).</li> <li>We intend to make the following changes to performance measures for 2025: <ul style="list-style-type: none"> <li>Introduce a structural cost reduction measure that is aligned with our forward-looking commitments. This replaces the earnings measures in the scorecard.</li> <li>Replace the measure focused on transition growth ★ engines with increased weighting on modified free cash flow ★ and bp-operated reliability ★ and availability ★.</li> </ul> </li> <li>See <a href="#">page 104</a> for further details on measures for the 2025 annual bonus.</li> <li>The framework on fatalities, which helps guide decisions on adjustments to the bonus outcome in relation to fatalities, will continue to be applied. Further detail has been provided on <a href="#">page 98</a>.</li> </ul>

Element	Policy feature	2025 implementation
<b>Performance shares</b>	<p>Performance shares are granted with a three-year performance period, measured against a scorecard.</p> <p>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.</p> <p>Annual grants are 500% of salary for the CEO, and 450% of salary for any other executive director. Awards will vest in proportion to the outcomes measured through the performance scorecard, subject to any adjustment by the committee, and will be subject to a three-year post-vesting holding period.</p> <p>Awards are subject to operationally robust and effective malus and clawback provisions as described below.</p>	<ul style="list-style-type: none"> <li>For our 2025-27 cycle, the scorecard categories will remain unchanged from the 2024-26 cycle and will be assessed against the following: rTSR (25%), financials (40%), environmental, social and governance (15%) and strategic progress (20%).</li> <li>The only change being made to the chosen performance measures for the 2025-27 cycle is the introduction of an adjusted free cash flow CAGR★ measure. This replaces adjusted EBIDA CAGR per share★. All other measures are to remain the same.</li> <li>See <a href="#">page 104</a> for further details on measures for the 2025-27 EDIP.</li> <li>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.</li> <li>The 2025-27 awards will be granted based on the average closing share price of each calendar day in the 90-day period ending on the date of bp's 2025 AGM.</li> </ul>
<b>Shareholding requirement</b>	<p>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.</p> <p>Executive directors are required to maintain that level for at least two years post-employment.</p>	<ul style="list-style-type: none"> <li>Murray's shareholding has reached 6.1 times salary, above his minimum shareholding requirement of 5 times of salary.</li> <li>Kate's shareholding has reached 2.6 times salary. Over the next four years, to 2029, Kate will work towards reaching her minimum shareholding requirement of 4.5 times of salary.</li> </ul>
<b>Malus and clawback</b>	<p>Operationally robust and effective malus and clawback provisions apply to our incentive awards.</p> <p>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.</p> <p>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.</p>	
<b>Committee flexibility</b>	<p>The committee has discretion to adjust performance measures and weightings, and to revise the peer group for the rTSR measure.</p> <p>This discretion allows appropriate realignment, throughout the policy term, for changes in the annual plan and for the anticipated evolution of the low carbon business environment.</p> <p>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.</p>	

# Directors' remuneration report continued

## Measures for the 2025 annual bonus

Provided below is a summary of the performance measures we have chosen for the 2025 annual bonus plan scorecard. The targets are commercially sensitive and will be disclosed in the 2025 directors' remuneration report.

We are replacing our earnings (adjusted EBITDA★) measure with structural cost reductions★ to better align with the financial priorities set out in the Capital Markets Update announcement in February 2025. This measure will be assessed against a 2023 baseline and is positioned to capture sustainable cost reductions that can be maintained beyond 2027.

In line with our reset strategy, the measure on transition growth★ engines has been removed from the scorecard for 2025. In the interest of simplification, the committee determined that the scorecard should be kept to five measures. The weighting of modified free cash flow★ and bp-operated reliability★ and availability★ will be increased – from 25% to 30% and 10% to 15% respectively. This change mirrors our focus on cash generation and driving strong operations for 2025.

Importantly, the framework on fatalities will continue to apply to the 2025 annual bonus and will be considered at year-end if a fatality occurs during the year. See [page 98](#) for further detail on its application in 2024.

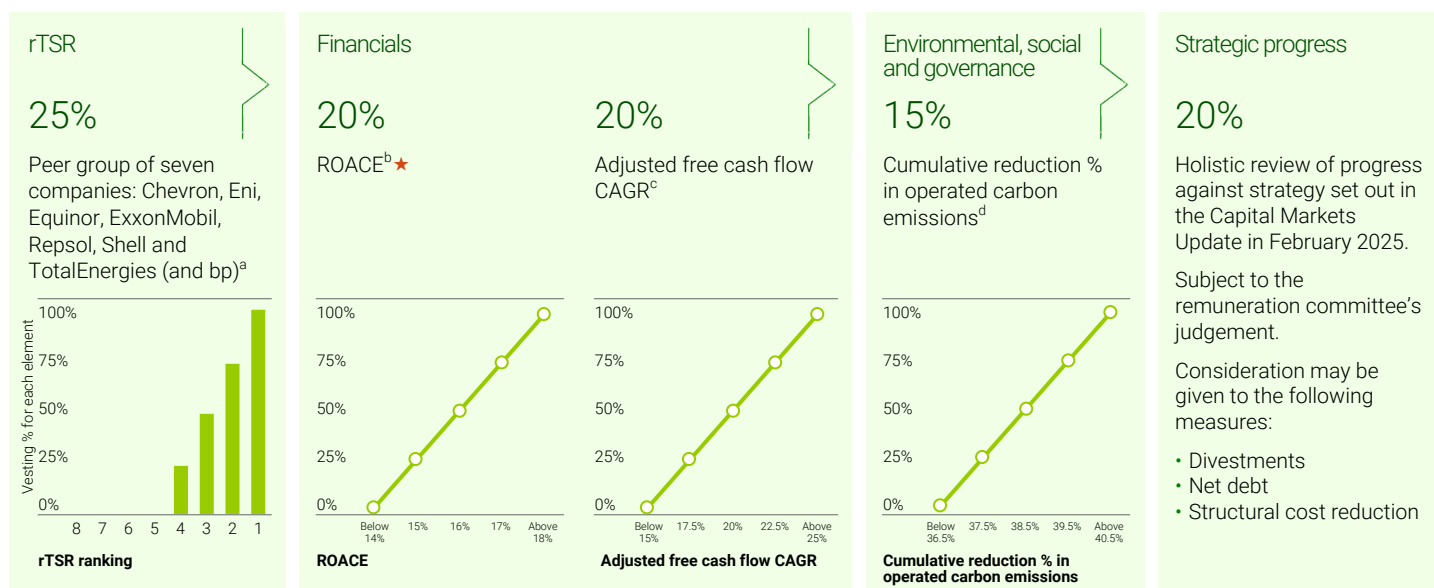
Safety and sustainability		Financials and operations	
30%		70%	
Measures include	Weighting	Measures include	Weighting
Tier 1 and tier 2 process safety events★ (measured separately)	15%	Modified free cash flow	30%
Operated carbon emissions	15%	Structural cost reduction	25%
		bp-operated reliability and availability	15%

## Measures for the 2025-27 performance shares (EDIP)

Provided below is a summary of the measures we have chosen for the 2025-27 performance share plan. The four categories remain unchanged from the prior year and there has been no change to respective weightings.

Under our financials category, we are proposing to introduce an adjusted free cash flow CAGR measure (20% weight) and to modify the ROACE measure to align with our strategic commitments. The committee reflected on the dual focus of free cash flow in the short and long-term incentive scorecards and determined it was appropriate given our strategic focus on cash generation – with adjusted free cash flow being a primary target in bp's reset strategy. The two cash measures; modified free cash flow and adjusted free cash flow CAGR are different, with the former covering a holistic view of in-year cash generation (including working capital and proceeds) and the latter representing underlying free cash flow growth, removing more volatile items, in line with our external targets. The ROACE measure now fully aligns with our external targets with measurement at the end of 2027.

For strategic progress, the measure will remain subject to the committee's judgement at the end of the three-year period. The judgement of performance will take into account progress against the financial targets set under our reset strategy – including reference to measures such as divestments, net debt★ and structural cost reductions. This will be alongside our holistic review of progress against our strategy, to ensure that outcomes are aligned with the shareholder experience.



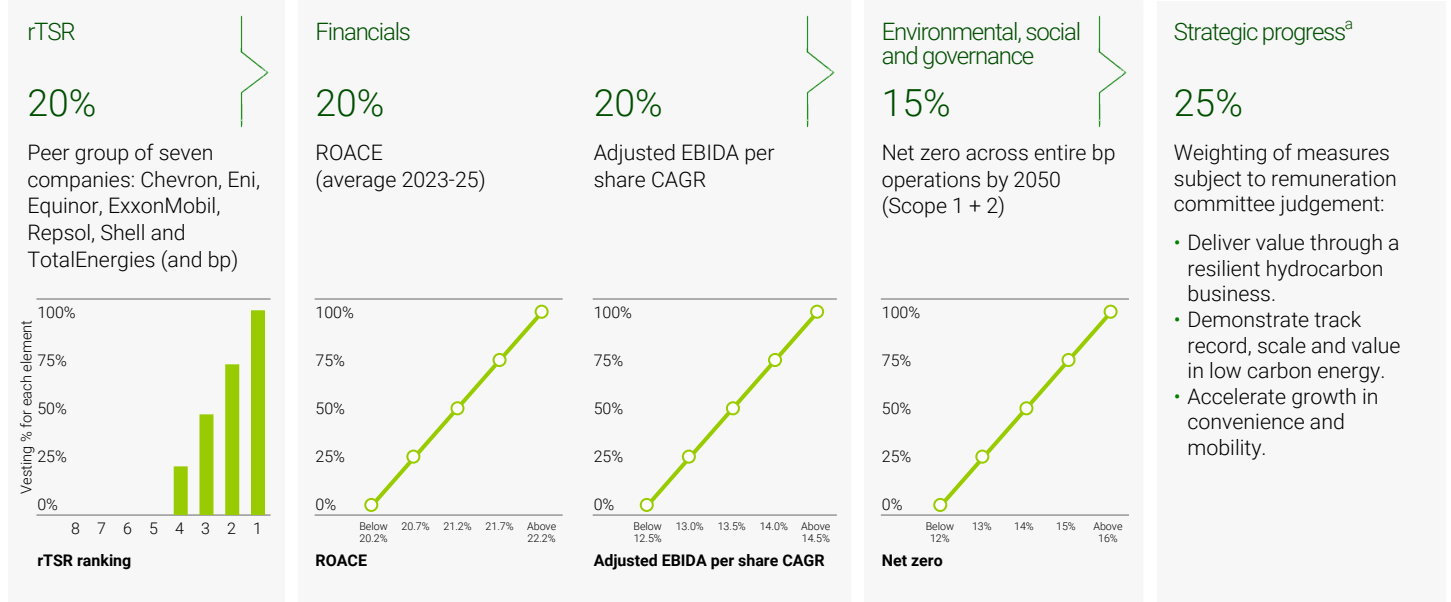
- Underpin will take into account safety outcomes prior to determining final vesting percentage.
- Remuneration committee discretion will reflect shareholder experience, environment, societal and other inputs.
- Robust malus and clawback may apply in certain circumstances.

a Nil vesting for fifth place or lower.  
 b Based on ROACE at the end of the three-year period. Targets will be adjusted for the environment.  
 c Annualised growth rate of adjusted free cash flow vs. 2024 baseline. Targets will be adjusted for the environment.  
 d Scope 1 and 2 GHG emission reductions vs. 2019 baseline from operated carbon emissions including portfolio change.

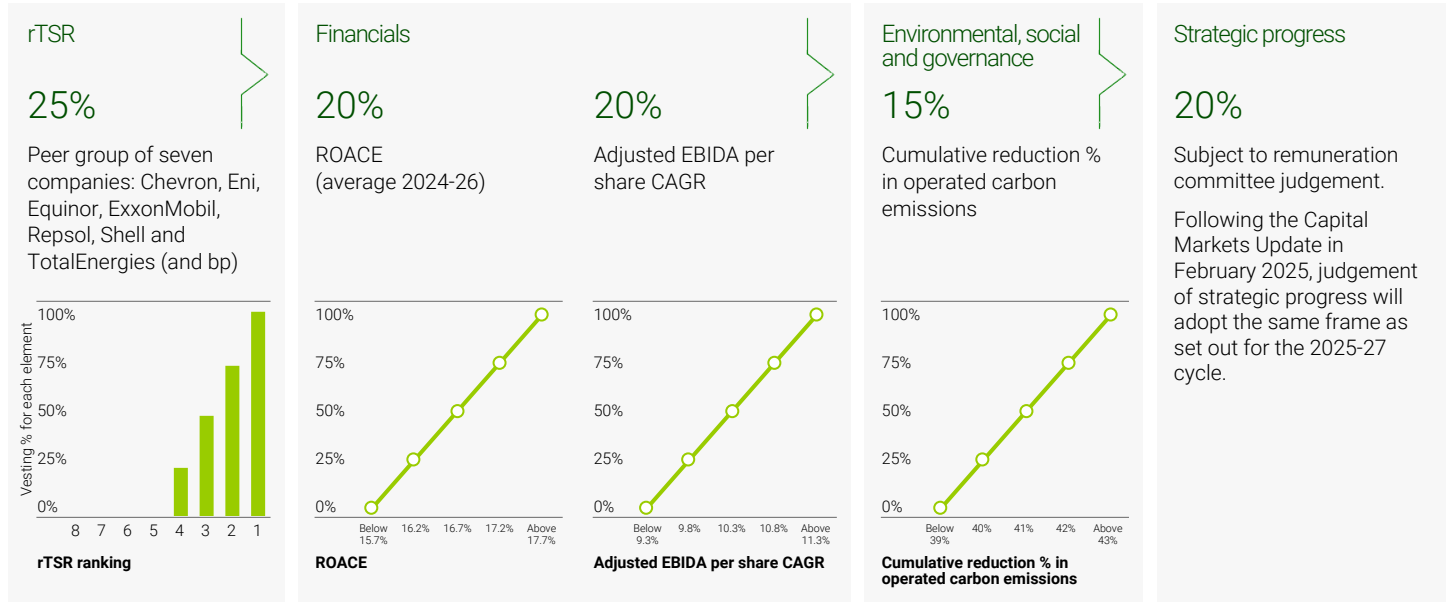


Provided below is an overview of the performance measures and weightings of each of our in-flight awards.

**Measures for 2023-25 performance shares**



**Measures for 2024-26 performance shares**



<sup>a</sup> Performance against the three pillars will be reviewed and scored in the context of the strategic changes announced in 2023 and the Capital Markets Update in February 2025.

## Directors' remuneration report continued

### Stewardship and executive director interests

We believe that our executive directors should build and maintain a material interest in the company. Our policy therefore requires the CEO and CFO to build a personal shareholding of five times and four and a half times, respectively, their salary within five years of their appointment. They are expected to maintain this level of personal shareholdings for two years post-employment.

### Directors' shareholdings and aggregated interests (audited)

The table below details the personal shareholdings of each executive director. These figures include all beneficial and non-beneficial ownership of shares of bp (or calculated equivalents) that have been disclosed to the company. Murray Auchincloss has met the minimum shareholding requirement (MSR) under the policy. Kate Thomson is expected to satisfy the policy requirement that applies five years from her date of appointment, 2 February 2024. The committee has reviewed and confirmed this position and will continue to monitor compliance with this policy.

	Directors' ordinary shares or equivalents at 14 Feb 2025	Aggregated interests at 14 Feb 2025, all plans				Current shareholding for MSR <sup>b</sup>	Value of current shareholding <sup>c</sup> , £	Multiple of salary achieved
		Unvested awards not subject to performance conditions		Unvested awards subject to performance conditions				
		Shares <sup>a</sup>	Options	Shares	Options			
Murray Auchincloss <sup>d</sup>	1,319,688	1,387,250	152,301	2,200,575	—	1,888,476	8,838,068	6.1
Kate Thomson	230,357	350,322	500,000	808,846	—	437,799	2,048,899	2.6

a Includes deferred and restricted shares, and performance shares prior to application of the performance factor.

b Includes ordinary shares or equivalents and unvested awards not subject to performance conditions on a net-of-tax basis, excluding dividends.

c Based on ordinary share price at 14 February 2025 of £4.68.

d Includes interests of a person closely associated with Murray Auchincloss.

Executive directors have additional interests in performance and deferred bonus shares. These interests are shown in aggregate in the table above, and interests awarded during 2024 in the tables below. For performance shares, the figures reflect maximum possible vesting levels (excluding the addition of reinvested dividends) even though the actual number of shares that vest will depend on the extent to which performance conditions are satisfied.

### Performance and deferred shares (audited)

	Award	Number of shares granted	Grant date	Face value of the award <sup>a</sup> , £	Vesting date
Murray Auchincloss	2024-26 EDIP Performance <sup>b</sup>	1,482,617	7 May 2024	7,472,390	May 2027
Kate Thomson		736,196	7 May 2024	3,710,428	May 2027
Murray Auchincloss	2024 EDIP Deferred <sup>c</sup>	124,128	7 May 2024	625,605	May 2027

a The face value of awards granted during 2024 have been calculated using a market price of ordinary shares at close on the date of award, as follows: £5.04 on 7 May 2024. In calculating the number of ordinary shares over which these awards were made, the committee applied the average price of ordinary shares over the 90 calendar days up to and including the annual general meeting that was held on 25 April 2024 (£4.89).

b Performance conditions are measured 15% on cumulative reduction % in operated carbon emissions, 25% on TSR relative to Chevron, ExxonMobil, Shell, TotalEnergies, Eni, Equinor and Repsol over three years, 20% ROACE averaged over the performance period, 20% adjusted EBIDA per share CAGR measured vs. year ended June 2020 and 20% strategic progress assessed over the performance period. Minimum vesting under this award (below threshold performance) is 0%. At threshold performance, vesting would be 6.25% of maximum.

Since 2010, vesting of the performance shares under EDIP has been subject to a safety underpin. If the committee assesses that there has been a material deterioration in safety performance, or there have been major incidents, either of which reveal underlying weaknesses in safety management, then it may conclude that shares should vest only in part, or not at all. In reaching its conclusion, the committee obtains advice from the S&SC.

The performance period is 1 January 2024 to 31 December 2026.

The 2025 performance share awards under EDIP are expected to be made following the conclusion of the 2025 annual general meeting.

c There is no identified minimum vesting threshold level. The 2024 bonus year deferred share awards under EDIP are expected to be made following the conclusion of the 2025 annual general meeting.

### Directors and leadership team

No directors or other leadership team members own more than 1% of the shares in issue. At 14 February 2025, our directors and leadership team members collectively held interests of 6,288,180 ordinary shares or their calculated equivalents, 4,339,104 restricted share units (with or without conditions) or their calculated equivalents, 7,399,346 performance shares or their calculated equivalents and 6,174,714 options over ordinary shares or their calculated equivalents, under bp group share option schemes.

## Chair and non-executive director outcomes and interests

### Fee structure

The table below shows the fee structure for the chair and non-executive directors (NEDs). The chair is not eligible for committee chairship and membership fees. The senior independent director (SID) is eligible for committee chairship and membership fees, and their fee includes the board member fee. Committee chairs do not receive a membership fee for the committee they chair.

Under the 2023 policy, fee levels are reviewed annually alongside wider workforce salaries and any changes are put into effect from 1 April. Taking all factors into consideration, for 2025 the board agreed to implement a 4% increase to the base fee for NEDs and for the SID, aligned with the salary increase budget for the UK wider workforce. Determination of the fees payable to the chair falls to the remuneration committee, which agreed to align the percentage increase of the chair's fee with the other NEDs. Following board and remuneration committee approval, the remuneration arrangements for the chair and NEDs will be adjusted with effect from 1 April 2025.

£ thousand per annum	2025/26 fees	2024/25 fees
Chair	<b>888</b>	854
Senior independent director	<b>181.5</b>	174.5
Board member	<b>130.5</b>	125.5
Audit, remuneration and safety and sustainability committees chairship	<b>35</b>	35
Committee membership	<b>20</b>	20

### 2024 remuneration (audited)

The table below shows the fees paid and applicable benefits. Benefits include travel and other expenses relating to the attendance at board and other meetings. Under the terms of his engagement with the company, Helge Lund has the use of a fully maintained office for company business, a car and driver, and security advice in London. Benefits values have been grossed up using a tax rate of 45%, where relevant, as an estimation of tax due.

£ thousand	Fees		Benefits		Total	
	2024	2023	2024	2023	2024	2023
Dame Amanda Blanc	<b>198</b>	159	<b>1</b>	2	<b>198</b>	161
Pamela Daley	<b>164</b>	159	<b>17</b>	67	<b>181</b>	226
Helge Lund (chair)	<b>845</b>	809	<b>38</b>	66	<b>882</b>	875
Melody Meyer <sup>a</sup>	<b>182</b>	184	<b>9</b>	29	<b>191</b>	213
Tushar Morzaria	<b>189</b>	174	<b>1</b>	3	<b>190</b>	177
Hina Nagarajan <sup>b</sup>	<b>157</b>	116	<b>17</b>	32	<b>174</b>	148
Satish Pai <sup>b</sup>	<b>144</b>	116	<b>5</b>	39	<b>149</b>	155
Paula Rosput Reynolds <sup>b</sup>	<b>72</b>	220	<b>6</b>	20	<b>78</b>	240
Karen Richardson <sup>c</sup>	<b>169</b>	178	<b>16</b>	18	<b>185</b>	196
Sir John Sawers <sup>b</sup>	<b>57</b>	174	<b>12</b>	7	<b>68</b>	181
Dr Johannes Teysen <sup>a</sup>	<b>160</b>	149	<b>5</b>	15	<b>165</b>	164

a Fee includes £10,000 p.a. for being a member of the bp geopolitical advisory council. The fee for this role ceased effective 1 April 2024.

b Hina Nagarajan and Satish Pai were appointed on 1 March 2023. Paula Rosput Reynolds and Sir John Sawers retired on 25 April 2024.

c Fee includes £25,000 p.a. for chairing the bp digital advisory council.

### Chair and non-executive directors' interests (audited)

The figures below include all the interests of the chair and each NED of the company in shares of bp (or calculated equivalents) that have been disclosed to bp. Our 2023 policy encourages NEDs to establish a holding in bp shares of the equivalent value of one year's base fee during their tenure.

	Ordinary shares or equivalents <sup>a</sup>				Value of current shareholding <sup>b</sup>	% of guideline achieved
	At 1 Jan 2024	At 31 Dec 2024	Changes to 14 Feb 2025	At 14 Feb 2025		
Dame Amanda Blanc	23,500	23,500	—	23,500	£109,980	88%
Pamela Daley	40,332	40,332	—	40,332	\$235,270	147%
Helge Lund (chair)	600,000	600,000	—	600,000	£2,808,000	329%
Melody Meyer	20,646	38,646	—	38,646	\$225,435	141%
Tushar Morzaria	71,972	71,972	—	71,972	£336,829	268%
Hina Nagarajan	10,000	25,944	—	25,944	£121,418	97%
Satish Pai	12,000	33,000	—	33,000	\$192,500	120%
Paula Rosput Reynolds <sup>c</sup>	78,378	—	—	—	—	—
Karen Richardson	29,316	35,316	—	35,316	\$206,010	128%
Sir John Sawers <sup>c</sup>	24,242	—	—	—	—	—
Dr Johannes Teysen	35,000	35,000	—	35,000	£163,800	131%

a Includes interests of persons closely associated.

b Based on ordinary share and ADS prices at 14 February 2025 of £4.68 and \$35.00. Where a US\$ value is provided these shares are held as ADSs.

c Paula Rosput Reynolds and Sir John Sawers retired on 25 April 2024.

## Directors' remuneration report continued

### Past directors

#### Payments for loss of office (audited)

No payments were made during the financial year for loss of office, except as already disclosed in the 2023 directors' remuneration report.

#### Payments to past directors (audited)

No payments were made during the financial year to past directors, except as already disclosed in the 2023 directors' remuneration report.

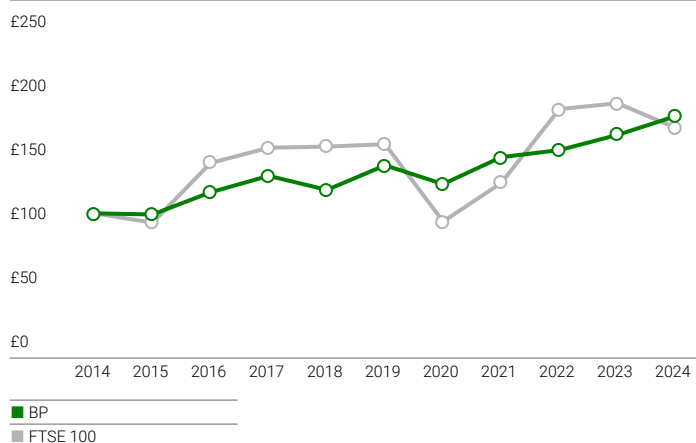
#### Post-employment benefits (audited)

Bob Dudley and Brian Gilvary were provided with tax return preparation support amounting to £1,779 and £11,455 respectively.

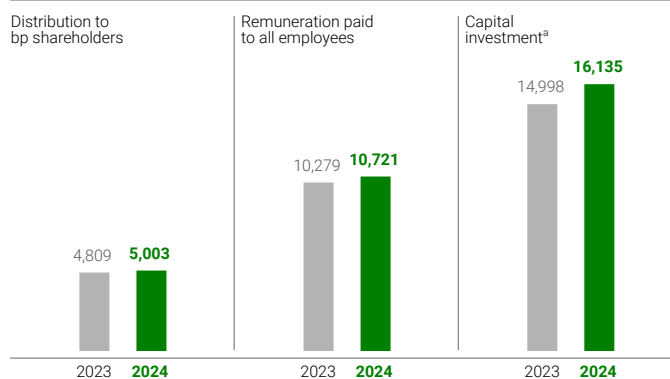
We made no other payments within the scope of the disclosure requirements to any past director of bp during 2024 (we have no de minimis threshold for such disclosures).

### Other disclosures

#### Historical TSR performance



#### Relative importance of spend on pay (\$ million)



a Organic capital expenditure.

The graph above shows the growth in value of hypothetical £100 investments in BP p.l.c. ordinary shares, and in the FTSE 100 index (of which bp is a constituent), over 10 years from 31 December 2014 to 31 December 2024.

### History of chief executive officer remuneration

Year	Chief executive officer	Total remuneration, thousand	Annual bonus % of maximum	Performance shares % of maximum
2015	Bob Dudley	\$19,376	100	74.3
2016	Bob Dudley	\$11,904	61	40
2017	Bob Dudley	\$15,108	71.5	70
2018	Bob Dudley	\$15,253	40.5	80
2019	Bob Dudley	\$13,234	67.5	71.2
2020 <sup>a</sup>	Bob Dudley	\$188	0	32.5
	Bernard Looney	£1,735	0	32.5
2021	Bernard Looney	£4,457	80.5	30
2022	Bernard Looney	£10,331	75.5	54
2023 <sup>a,b</sup>	Bernard Looney	£1,175	n/a	n/a
	Murray Auchincloss	£5,391	79.5	75
<b>2024<sup>c</sup></b>	<b>Murray Auchincloss</b>	<b>£5,356</b>	<b>22.5</b>	<b>66.5</b>

a 2020 and 2023 figures show remuneration for the periods of qualifying service as CEO during the respective years.

b As reported in the 2023 directors' remuneration report, Bernard Looney stepped down as CEO and from the board of directors with immediate effect on 12 September 2023 and was succeeded by Murray Auchincloss as interim CEO on the same date. In respect of 2023, Bernard Looney did not receive any variable pay awards and his single figure shown in the table above excludes the impact of malus and clawback. For Murray Auchincloss, the 2023 figure has been updated based on the actual share price used for vesting of £4.52.

c Share price has been based on the average share price over Q4 of the 2024 FY of £3.90.



## Chief executive officer to employee pay ratio

Year	Method	25th percentile: pay ratio, total pay and benefits, (salary)	50th percentile: pay ratio, total pay and benefits, (salary)	75th percentile: pay ratio, total pay and benefits, (salary)
2019 <sup>a</sup>	Option A	543:1	188:1	82:1
2020 <sup>a</sup>	Option A	99:1	40:1	19:1
2021	Option A	208:1	87:1	35:1
2022	Option A	421:1	172:1	69:1
2023 <sup>b</sup>	Option A	268:1	103:1	45:1
2024 <sup>c</sup>	<b>Option A</b>	<b>196:1</b>	<b>74:1</b>	<b>37:1</b>
		<b>£27,343</b>	<b>£72,678</b>	<b>£143,202</b>
		<b>(£25,304)</b>	<b>(£54,106)</b>	<b>(£92,900)</b>

a Bob Dudley's pay has been converted from US dollars as per the ratios reported in the *bp Annual Report and Form 20-F 2020*.

b For 2023, the total single figure used to derive the CEO pay ratio is a combination of the two individuals in position of CEO during the year. In respect of the former CEO, the calculation has been based on the total single figure excluding the impact of malus and clawback in order to provide a comparison with prior years. Appropriate pro-rating of fixed and variable pay has been applied.

c Share price for the CEO share plan vesting has been based on the average share price over Q4 of the 2024 FY of £3.90.

This is our sixth year reporting the CEO pay ratio following the requirements introduced in 2018. As per the past five years, we have selected Option A as our reporting basis, being the most accurate approach available, and we confirm that no broadly applicable components of pay have been omitted. Where necessary, full-time equivalent pay has been calculated by simple engrossment of part-year values. Employee values relate to pay and benefits for the year ended 31 December 2024.

Changes in the pay ratio over time reflect the fact that CEO remuneration is more heavily weighted to variable pay, resulting in larger year-on-year swings than wider workforce pay. This is evidenced by the variability of the CEO pay ratio over the past six years. This volatility in the pay ratio reporting from year to year is expected, and illustrates one of the challenges in commenting on whether the pay differentials are appropriate. In 2024, the 50th percentile pay ratio decreased from 103:1 to 74:1. This was largely driven by the outcomes of the CEO's variable awards, with the lowest bonus outcome in the past 10 years (excluding nil bonus for 2020) and the performance share award being granted at a lower multiple of salary when he was in position as CFO.

The committee believes in performance-based remuneration. For all employees eligible to participate in the annual cash bonus plan, there is an individual uplift available each year which allows managers to nominate individuals based on their personal contributions during the year. For senior leaders, a significant portion of the remuneration package continues to be linked to performance-based reward. It is therefore the view of the committee that the remuneration frameworks we have in place for executive directors and the wider workforce are fit-for-purpose and deliver pay outcomes appropriate to the circumstances of the year, with differentials that reflect the relative contributions made at different levels of the organization.

The committee is satisfied that the median pay ratio reported this year is consistent with bp's pay policies for employees and does not constitute a reason to modify our pay programmes.

## Percentage change comparisons: directors' remuneration versus employees

In the table below, values in column 'a' represent the percentage change in salary and fees; values in column 'b' represent the percentage change in taxable benefits; and values in column 'c' represent the percentage change in bonus outcomes for performance periods in respect of each financial year. For the purposes of comparison, the employee percentages shown below represent the relative change between the median full-time equivalent pay for every employee employed at BP p.l.c. at any point during the relevant financial year, and the equivalent median value for the preceding financial year. Where increases are infinite relative to the preceding year, we have shown them as 100% for illustration, where a director was appointed or retired part-way through the year we have annualized pay except for one-time items, and where comparison to the prior year is not possible we have used dashes.

Percentage change for:	2024 vs. 2023			2023 vs. 2022			2022 vs. 2021			2021 vs. 2020			2020 vs. 2019		
	a	b	c	a	b	c	a	b	c	a	b	c	a	b	c
Employees	4%	0%	-65%	6%	1%	4%	2%	1%	45%	7%	-9%	100%	0%	0%	-100%
Murray Auchincloss	43%	-61%	-60%	30%	283%	31%	7%	530%	3%	5%	5%	100%	—	—	—
Kate Thomson	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dame Amanda Blanc	24%	-72%	n/a	38%	100%	n/a	—	—	n/a	—	—	n/a	—	—	n/a
Pamela Daley	3%	-75%	n/a	2%	2%	n/a	7%	43%	n/a	4%	1385%	n/a	-15%	-92%	n/a
Helge Lund (chair)	4%	-43%	n/a	3%	78%	n/a	0%	97%	n/a	0%	-24%	n/a	0%	-74%	n/a
Melody Meyer	-1%	-68%	n/a	2%	-14%	n/a	13%	139%	n/a	-4%	283%	n/a	9%	-77%	n/a
Tushar Morzarria	9%	-73%	n/a	2%	-46%	n/a	25%	100%	n/a	5%	0%	n/a	—	—	n/a
Hina Nagarajan	13%	-46%	n/a	—	—	n/a	—	—	n/a	—	—	n/a	—	—	n/a
Satish Pai	3%	-88%	n/a	—	—	n/a	—	—	n/a	—	—	n/a	—	—	n/a
Paula Rosput Reynolds	3%	-70%	n/a	2%	-14%	n/a	16%	145%	n/a	—	228%	n/a	2%	-92%	n/a
Karen Richardson	-5%	-12%	n/a	11%	-20%	n/a	30%	96%	n/a	—	—	n/a	—	—	n/a
Sir John Sawers	3%	63%	n/a	2%	105%	n/a	17%	1%	n/a	—	1588%	n/a	—	-83%	n/a
Johannes Teysen	7%	-68%	n/a	3%	12%	n/a	21%	65%	n/a	—	—	n/a	—	—	n/a

## Directors' remuneration report continued

### Independence and advice

The board considers all committee members to be independent with no personal financial interest, other than as shareholders, in the committee's decisions. Further detail on the activities of the committee in 2024 is set out in the remuneration committee report on [page 88](#).

During 2024 Ben Mathews, who was employed by the company and reported to the chair of the board, acted as secretary to the remuneration committee.

The committee also received advice on various matters relating to the remuneration of executive directors and senior management from Kerry Dryburgh, EVP people, culture & communications and Ashok Pillai, SVP reward.

PricewaterhouseCoopers LLP (PwC) continued to provide independent advice to the committee in 2024. PwC advice included, for example, support with remuneration benchmarking and updates on market practice. PwC is a member of the Remuneration Consulting Group and, as such, operates under the code of conduct in relation to executive remuneration in the UK. The committee is satisfied that the advice received is objective and independent. The committee is comfortable that the PwC engagement partner and team who provide remuneration advice to the committee do not have connections with the company or its directors that may impair their independence.

Total fees or other charges (based on an hourly rate) for the provision of remuneration advice to the committee in 2024 (save in respect of legal advice) were £88,751 to PwC. Freshfields LLP (Freshfields) provided legal advice on specific compliance matters to the committee. PwC and Freshfields provide other advice in their respective areas to the group.

### Considerations related to the UK Corporate Governance Code

When setting the 2023 policy, the committee concluded that a scorecard-based approach to setting targets and measuring outcomes helps it to engage transparently with shareholders and the wider workforce on remuneration. Thus, bp continues to operate a simple, clear structure of market-aligned salary with annual and three-year performance-based incentives. Risks are managed through careful setting of performance measures and targets and the committee retains the exercise of its discretion in assessing outcomes. These are complemented with robust malus and clawback measures. Remuneration outcomes are predictable, as shown in the implementation charts of the 2023 policy, and proportional by virtue of the challenging performance levels required to achieve target pay outcomes. Through material weighting in measures related to safety, sustainability and strategy, as shown on [page 104](#), remuneration aligns closely with bp's culture, as expressed through our purpose and ambition.

### Shareholder engagement

Throughout 2024 the committee engaged frequently on remuneration policy and approach with bp's largest shareholders, as well as their representative bodies. This dialogue will continue throughout 2025. The table below shows the recent votes on the directors' remuneration report and policy.

Year	% vote 'for'	% vote 'against'	Votes withheld
2024 – Directors' remuneration report	95.88%	4.12%	37,229,024
2023 – Directors' remuneration policy	94.23%	5.77%	36,921,641

### Service contracts and letters of appointment

The service contracts of executive directors do not have a fixed term. Service contracts for each executive director are available for shareholders to view upon request at the company's registered office. Each executive director's service contract contains a 12-month notice period. Consistent with the best interests of the group, the committee will seek to minimize termination payments.

	Date of contract	Effective date
Murray Auchincloss	17 Jan 2024	17 Jan 2024
Kate Thomson	2 Feb 2024	2 Feb 2024

The non-executive directors (NEDs) have letters of appointment, which are available for shareholders to view upon request at the company's registered office. All directors are subject to annual re-election by shareholders at the annual general meeting. Normally, NEDs will be encouraged to serve for up to nine years from their appointment in line with the provisions of the 2018 Code, subject to annual re-election.

### External appointments

The board supports executive directors taking up appointments outside the company to broaden their knowledge and experience. Each executive director is permitted to retain any fee from their external appointments. Such external appointments are subject to agreement by the chair and reported to the board. Any external appointment must not conflict with a director's duties and commitments to bp. Details of appointments as NEDs of publicly listed companies during 2024 are shown below.

	Appointee company	Additional position held at appointee company	Total fees, £
Murray Auchincloss <sup>a</sup>	Aker BP ASA <sup>b</sup>	Director	0
Kate Thomson	Aker BP ASA <sup>b</sup>	Director	0

a Murray resigned from this position during 2024.

b Held as a result of the company's shareholding in Aker BP ASA.

This directors' remuneration report was approved by the board and signed on its behalf by Ben J.S. Mathews, company secretary, on 6 March 2025.

## Other disclosures

### Appointment and succession plans

The chair, senior independent director (SID) and other independent non-executive directors (NEDs) each have letters of appointment with BP p.l.c. and do not serve, nor are they employed, in any executive capacity by bp. In line with the UK Corporate Governance Code (Code), bp proposes all directors for annual re-election by shareholders at the Annual General Meeting (AGM), where letters of appointment for each NED are available for inspection. Details on the skills and experience of each director seeking election or re-election, as well as their individual contributions to the long-term success of the company, are set out in the Notice of AGM. In accordance with the Code, NEDs would not be expected to serve beyond nine years unless there are exceptional circumstances. On behalf of the board, the people, culture and governance committee reviews the formal appointment process and succession plans for the board. Appointments and succession plans are both based on merit and assessed against objective criteria with the promotion of diversity, equity and inclusion as central considerations. This includes diversity of gender, social and ethnic backgrounds as well as cognitive and personal strengths. In reviewing appointments and succession plans, due consideration is given to ensure the smooth transition of board members with specific responsibilities (e.g. committee chair roles) by allowing sufficient time for a detailed handover. This is balanced by the need to have new board members join at regular intervals such that over time there is a controlled approach to board members reaching the end of their tenure. All new directors receive a formal induction, tailored to their individual needs, skills and experience, taking account of any committees they join. These inductions include one-to-one meetings with members of the board and leadership team together with select members of senior management. Feedback is sought from directors undertaking their induction programmes to ensure they are continually updated and improved.

Further detail on board succession and tenure can be found in the people, culture and governance committee report on [page 87](#) and board at a glance disclosure on [page 71](#), respectively.

### Time commitments

The expectation regarding time commitment for NEDs to effectively discharge their duties is set out in the directors' letters of appointment. The time commitment varies with the demands of bp business and other events. The NEDs' external time commitments – whether through executive, non-executive, advisory or other roles – are regularly reviewed by the company secretary to ensure that directors are able to allocate appropriate time to bp. A register of directors' time commitments and conflicts is maintained and is also reviewed annually by the people, culture and governance committee. The review process takes into account outside appointments and other external commitments and considers the complexity of the organization, the nature of the role, the sector (especially regulated and/or potentially competing sectors) and any leadership roles (e.g. a chair position). NEDs are also required to consult with the company secretary and chair before accepting any other role that may impact their ability to commit appropriate time to bp. The process for the approval of any new external appointment, significant or otherwise, for an existing director assesses the impact of that appointment on the director's time in order to ensure the director has sufficient capacity for their role with bp. As part of that same review process, a review of independence and potential conflicts of interest is undertaken, taking account of institutional investor and proxy advisor guidance and market best practice. Any external proposed commitments that could exceed the mandates set out in such guidance are given particular consideration. The board was satisfied that significant appointments undertaken during 2024 did not impact the directors' ability to prepare for and attend meetings, engage with stakeholders and participate in learning and development opportunities. The board has concluded that, notwithstanding external appointments held, each director is able to dedicate sufficient time to fulfil their bp duties. In compliance with the Code, none of the executive directors who served during 2024 held more than one non-executive directorship in a FTSE 100 company or other significant appointment throughout their tenure on the board. For more information on the external commitments of bp's directors, see [pages 72-73](#).

For information on board meetings held during 2024 and director attendance at board meetings, see [page 71](#).

### Independence and conflicts of interest

All directors have a statutory duty to exercise independent judgement. Independence of NEDs is crucial in bringing constructive challenge to the chief executive officer (CEO) and the leadership team at board meetings, while providing support and guidance to promote meaningful discussion and, ultimately, informed and effective decision-making. In accordance with the criteria set out in the Code, the chair was considered independent at the time he was appointed. NEDs are required to provide sufficient information to allow the board to evaluate their independence prior to and following their appointment. In addition, each director has a statutory duty to disclose actual or potential conflicts of interest. Formal procedures are in place for new potential conflicts to be reported and recorded during the year. As a consequence of regular reviews in 2024, the board is satisfied that there were no matters giving rise to conflicts of interest which could not be authorized by the board. It has therefore concluded that all bp NEDs are independent.

### Reporting in line with UK Listing Rule 6.6.6R(9)

As at 31 December 2024, 55% of the board comprises women, our senior independent director (SID) and chief financial officer (CFO) are women and three directors identify as from an ethnic minority background. Data for the below tables is collected on an annual basis through a standardized process under which each member of the board and executive management is asked to self-declare, or elect not to declare, their ethnic background and gender identity or sex. The information is correct as at 31 December 2024. For the purposes of this table, executive management includes bp's leadership team and the company secretary.

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and chair)	Number in executive management	Percentage of executive management
<b>Gender identity or sex</b>					
Men	5	45%	2	6	55%
Women	6	55%	2	5	45%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–
<b>Ethnic background</b>					
White British or other white (including minority-white groups)	8	73%	100%	9	82%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	3	27%	–	1	9%
Black/African/Caribbean/Black British	–	–	–	1	9%
Other ethnic group	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

## Directors' statements

### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. The directors are required by the Companies Act 2006 to prepare financial statements for each financial year that give a true and fair view of the financial position of the group and the parent company and the financial performance and cash flows of the group and parent company for that period. Under that law they are required to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom and applicable law and have elected to prepare the parent company financial statements in accordance with applicable United Kingdom law and United Kingdom accounting standards (United Kingdom generally accepted accounting practice), including FRS 101 'Reduced Disclosure Framework'. In preparing the consolidated financial statements the directors have also elected to comply with IFRS as issued by the International Accounting Standards Board (IASB) and IFRS as adopted by the European Union (EU).

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosure when compliance with the specific requirements of IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance.
- State that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006 and the parent company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Having made the requisite enquiries, so far as the directors are aware, there is no relevant audit information (as defined by Section 418(3) of the Companies Act 2006) of which the company's auditors are unaware, and the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Each of the current directors, whose names and functions are listed on [pages 72-73](#), confirms that to the best of their knowledge:

- The consolidated financial statements, prepared on the basis of IFRS as issued by the IASB, IFRS as adopted by the United Kingdom and EU and in accordance with the provisions of the Companies Act 2006 as applicable to companies reporting under international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.
- The parent company financial statements, prepared in accordance with United Kingdom generally accepted accounting practice, give a true and fair view of the assets, liabilities, financial position, performance and cash flows of the company.
- The management report, which is incorporated in the strategic report and directors' report, includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that they face.

**Helge Lund**  
Chair  
6 March 2025

### UK Corporate Governance Code compliance

Throughout 2024 bp applied the principles of the UK Corporate Governance Code 2018 (Code) and has complied with all the provisions. The information set out in the directors' report, including the committee reports on [pages 80-110](#), is intended to provide an explanation of how bp applied the principles and complied with the provisions of the Code during the year. The Code can be found on the Financial Reporting Council website: [frc.org.uk](http://frc.org.uk).

### Risk management and internal control

Under the Code, the board is responsible for the company's risk management and internal control systems. In discharging this responsibility the board, through its governance principles, requires the chief executive officer to operate the company with a comprehensive system of controls and internal audit and to identify and manage the risks, including emerging risks, that are material to bp. In turn, the board, through its monitoring processes, satisfies itself that these material risks are identified and understood by management and that systems of risk management and internal control are in place to mitigate them. These systems are reviewed periodically by the board, have been in place for the year under review and up to the date of this report and are consistent with the requirements of Principle O of the Code.

The board has processes in place to:

- Assess the principal and emerging risks facing the company.
- Monitor the company's system of internal control (which includes the ongoing process for identifying, evaluating and managing the principal and emerging risks).
- Review the effectiveness of that system annually.

Acquired businesses which have not transitioned into bp's system of internal control and non-operated joint ventures and associates ★ have not been dealt with as part of this process.

A description of the principal risks facing the company, including those that could potentially threaten its business model, future performance, solvency or liquidity, is set out in risk factors on [pages 65-67](#). During 2024 the board undertook a robust assessment of the principal and emerging risks facing the company. The principal means by which these risks are managed or mitigated are set out on [pages 61-64](#).

In assessing the risks faced by the company and monitoring the system of internal control, the board and the audit and safety and sustainability committees requested, received and reviewed reports from executive management, including management of the business segments, corporate activities and any functions, at their regular meetings. A report by each of these committees, including its activities during the year, is set out on [pages 80-85](#).

During 2024 the committees, as relevant, also met with management, the SVP internal audit and other monitoring and assurance functions (including group ethics & compliance, safety and operational risk, group control, group legal and group risk) and the external auditor. Responses by management to incidents that occurred were considered by the relevant committee or the board, as appropriate.

At a meeting in March 2025, the audit committee considered reports from the group risk function on the system of internal control and the function's categorization of significant failings or weaknesses. The audit committee also considered a report from internal audit on their assessment of bp's systems of internal control and risk management, based on audit work conducted during 2024. In considering these reports and assessments, the audit committee noted that bp's systems of internal control and risk management are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The board then considered the review undertaken by the audit committee and the proposed disclosures outlining the company's risk management and internal control systems prior to publication of the annual report and accounts.

A statement regarding the company's internal controls over financial reporting is set out on [page 336](#).

### Longer-term viability

In accordance with provision 31 of the Code, the directors have assessed bp's prospects both at an operating and strategic level with some business planning processes extending out beyond the next ten years. However, the directors believe that a viability assessment period of three years remains appropriate given the nature of our business and exposure to short-term commodity pricing. This assessment is based on management's reasonable expectations of the position and performance of the company over this period, its internal detailed budgets and planning timeframes and the targets and aims that it has set out.

Our risk management system, described in how we manage risk starting on [page 61](#), outlines our risk identification, assessment and management approach for all risks, including our principal risks, described starting on [page 65](#).

Taking into account the company's current position and its principal risks, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the next three years.

The directors' assessment included a review of the potential financial impact of, and the financial headroom that could be available in the event of, the most severe but plausible scenarios that could threaten the viability of the company. The assessment took into consideration the robust financial position of the group and the potential mitigations that management reasonably believes would be available to the company over this period. Mitigations considered include use of cash, access to debt facilities and credit lines, raising of capital, reductions in capital expenditure, divestments and dividend reductions.

The scenarios that have been modelled are based on the most severe but plausible outcomes and associated costs are based on actual experience where possible. The scenarios link to one or more of our principal risks described on [pages 65-67](#) and have been considered individually and as a cluster of events. They include:

- A significant process safety incident when operating facilities, drilling wells or transporting hydrocarbons. Process safety, personal safety and environmental risks, see [page 67](#).
- A sustained significant decline in oil prices over three years. Prices and markets, see [page 65](#).
- A significant cyber security incident. Digital infrastructure, cyber security and data protection, see [page 66](#).
- A loss of a significant market or producing asset for six months. Prices and markets, see [page 65](#).

As an example of a cluster of events, bp models a risk scenario involving a significant process safety incident (when operating facilities, drilling wells or transporting hydrocarbons) during a low-price environment (i.e. where there is a sustained significant decline in oil prices over a three-year period).

The directors also considered the impact on viability from an extended pandemic scenario, as well as the potential risks associated with climate change and the transition to a lower carbon economy. They consider that the most likely impacts of these risks are broadly captured and modelled through the sustained low oil price and loss of a producing asset scenarios.

In assessing the prospects of the company, the directors noted that such assessment is subject to a degree of uncertainty that can be expected to increase looking out over time and, accordingly, that future outcomes cannot be guaranteed or predicted with certainty.

### Fair, balanced and understandable

The board considers the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

### Going concern

In accordance with provision 30 of the Code, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Forecast liquidity has been assessed under a number of stressed scenarios to support this assertion. Reverse stress tests performed indicated that the group will continue to operate as a going concern for at least 12 months from the date of approval of the financial statements even if the Brent price fell to zero. For further information on financial risk factors, including liquidity risk, see Financial statements – [Note 29](#).