



bp Annual Report and Form 20-F 2025



Strong performance – building for the future

Our investor proposition

A simpler, stronger and more valuable bp, see [page 19](#).

Our strategy

We are growing the upstream, focusing the downstream and investing with discipline in transition, see [page 8](#).

Our primary targets

Adjusted free cash flow★ growth

>20%^a

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

Net debt★

\$14-18bn

by end 2027

Structural cost reduction★

\$5.5-6.5bn^b

by end 2027

Return on average capital employed (ROACE)★

>16%^a

in 2027

→ [Progress on our primary targets, page 8](#)

Growing the upstream



Image: Argos platform, US

Focusing the downstream



Image: bp retail site, London, UK

Disciplined investment in transition



Image: bp bioenergy, Brazil

^a This is on a price adjusted basis that assumes a hypothetical price environment of \$70/bbl Brent, \$4/mmBtu Henry Hub, and \$10.3/bbl refining indicator margin (all 2024 real) and assumptions about the impact of these marker prices on underlying replacement cost profit before tax.

^b Following the outcome of the strategic review of Castrol, which resulted in the decision to divest a 65% shareholding, the \$4-5 billion structural cost reduction target by end 2027, introduced at the February 2025 Capital Markets Update, has increased.

Navigating this report

→ [Read more on another page of this report](#)

🔗 [Read more online](#)

Task Force on Climate-related Financial Disclosures (TCFD)

Information that supports TCFD Recommendations and Recommended Disclosures in relation to Metrics and Targets is indicated with [TCFD](#).

Glossary

Words and terms marked with ★ are defined in the glossary on [page 375](#)

More information

Online quick read

A concise summary of the *bp Annual Report and Form 20-F 2025*, highlighting strategy and performance information.

🔗 bp.com/annualreport

Online reporting centre

All our bp corporate reports, including the bp Sustainability Report and the bp Energy Outlook.

🔗 bp.com/reportingcentre

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About bp

We operate at the heart of the global energy system, helping countries across the world with their energy needs and serving millions of customers every day.

Our purpose

Delivering energy to the world, today and tomorrow.

Who we are

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

bp.com/ourbeliefs

Safety and sustainability

27

tier 1 and 2 process safety events★
(2024 38)

→ [Read more on pages 55 and 37](#)

34.3MtCO₂e

GHG emissions – operational control
(2024 33.6MtCO₂e)

Performance

\$0.1bn

profit for the year attributable to bp shareholders
(2024 \$0.4bn)

\$7.5bn

underlying replacement cost (RC) profit★
(2024 \$8.9bn)

2.3m

barrels of oil equivalent – oil and gas production^a
(2024 2.4m)

90%

proved reserves replacement ratio★^a
(2024 50%)

\$6.28/boe

upstream unit production costs★
(2024 \$6.17/boe)

96.1%

bp-operated upstream plant reliability★
(2024 95.2%)

96.3%

bp-operated refining availability★
(2024 94.3%)

a On a combined basis of subsidiaries and equity-accounted entities.

Segment performance

At 31 December 2025, the group's reportable segments were gas & low carbon energy, oil production & operations and customers & products. Each is managed separately, with decisions taken for the segment as a whole, and represents a single operating segment that does not result from aggregating two or more segments (see Financial statements – Note 5).

Gas & low carbon energy^a

Comprises our gas & low carbon energy businesses. Our gas business includes regions with upstream activities that predominantly produce natural gas, gas trading and our Archaea Energy business. Our low carbon business includes solar, offshore wind, hydrogen and carbon capture and storage (CCS), and power trading, and until its divestment in December 2025 also included onshore wind. Power trading includes trading of both renewable and non-renewable power.

\$1.3bn

replacement cost (RC) profit before interest and tax^b
(2024 \$3.1bn^c)

→ [Segment performance, page 28](#)

\$5.4bn

underlying RC profit before interest and tax[★]
(2024 \$6.8bn)

Oil production & operations^a

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

\$8.6bn

RC profit before interest and tax^b
(2024 \$10.8bn)

→ [Segment performance, page 31](#)

\$9.4bn

underlying RC profit before interest and tax
(2024 \$11.9bn)

Customers & products

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

\$4.1bn

RC profit before interest and tax^b
(2024 loss \$(1.0)bn^c)

→ [Segment performance, page 34](#)

\$5.3bn

underlying RC profit before interest and tax
(2024 \$2.5bn)

Other businesses & corporate

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

\$(40)m

RC loss before interest and tax^b
(2024 loss \$(1.0)bn)

→ [Segment performance, page 36](#)

\$(0.6)bn

underlying RC loss before interest and tax
(2024 loss \$(0.6)bn)



Image: Colleagues at our Houston headquarters, US

a The Azerbaijan-Georgia-Türkiye and Middle East and North Africa (MENA) regions have been further subdivided by asset.

b IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the chief operating decision maker. For bp, this measure of profit or loss is replacement cost profit before interest and tax, which reflects the replacement cost of inventories sold in the period and is arrived at by excluding inventory holding gains and losses[★] from profit before interest and tax. Replacement cost profit for the group is not a recognized measure under IFRS. For further information see Financial statements – Note 5.

c Restated for material items to reflect the move of our Archaea Energy business from the customers & products segment to the gas & low carbon energy segment.

Chair's letter



Dear shareholders,

bp is one of the world's great energy companies, with a strong team, high quality assets and distinctive strengths in key business areas. I was honoured to be appointed as chair in 2025, joining a company that is making progress on a reset strategy, albeit with challenges to overcome. With the environment in which we operate continuing to be shaped by geopolitical uncertainty and complex market dynamics, we need to accelerate delivery, reduce complexity and increase our financial resilience in order to realise the full value of the business for shareholders.

Appointment of Meg O'Neill

One of my first tasks, working with fellow board members, was to identify an outstanding leader to take the company forward. Murray Auchincloss stepped down in December 2025 after more than three decades of service to bp, the last five as a member of our board, first as chief financial officer and then as chief executive. I would like to thank him for his contribution and commitment to bp.

In December 2025 we appointed Meg O'Neill as chief executive who will join bp on 1 April 2026. Meg's track record of driving transformation and growth with disciplined capital allocation makes her the right leader for bp as we pursue significant strategic and financial opportunities. And her relentless focus on business improvement and financial discipline gives us high confidence in her ability to shape the company for its next phase of growth.

Safety and performance in 2025

The board plays a critical role in monitoring the organization's culture and setting the tone from the top. This is particularly important on safety. Employees and contractors at bp face a complex range of risks across the business. Sadly in 2025, four colleagues working in bp's US retail operations lost their lives. On behalf of the board, I would like to extend our sincere condolences to their families, friends and colleagues.

Safety will always be the board's highest priority. That's why we continue to work with the leadership team to ensure every incident is thoroughly investigated and the lessons learned are applied.

On process safety, I commend the teams that contributed to a decrease in serious process safety events of about one third, compared with 2024.

Ongoing improvement in safety is the foundation for strong operational performance. In 2025 the teams set new records for plant reliability on the upstream side of the business and availability in refining.

Strategic progress was also strong with seven major projects★ delivered in the year and significant exploration success, including the world's largest offshore discovery. Carol provides more detail on safety and performance in her letter overleaf.

Governance

In early 2025 the board's focus moved from the resetting of strategy to overseeing disciplined performance and the delivery of our four primary financial targets. Together with Meg O'Neill's appointment, the board's composition and capability have been further strengthened during 2025 deepening its expertise in key strategic areas: oil and gas, disciplined capital allocation and the oversight of performance and risk.

Our governance framework remains a foundation for delivering sustainable long-term value for shareholders. That framework has also evolved, recognizing the changing needs of the business and external developments, including the implementation of provision 29 of the UK Corporate Governance Code, relating to risk management and internal control. And it will continue to evolve, informed by a further review, to ensure the framework and the board that oversees it are best placed for the bp we want to be, rather than the bp we have been over recent years.

Engagement with stakeholders remained a priority in 2025. On joining the board, I initiated an extensive dialogue with our largest shareholders, complemented by a continued focus by the board on workforce engagement.

More to do

Over the course of 2026, you will see bp taking concerted action to strengthen the company and position it to grow and deliver sustainable value for the long term. One such step was the board's decision earlier this year to suspend the share buyback and fully allocate excess cash to our balance sheet. And you will see bp continue to take action to simplify and high-grade the portfolio, reduce the cost base and make disciplined investments in the best and highest-returning opportunities. Most importantly, you will see the board supporting a management team focused on growing cash flow and returns.

A better bp

I offer my thanks to the bp teams, whose dedication, skill and determination continue to shine through, no matter the challenge. And thank you to you, bp's owners, for your guidance and your trust. The board and I will continue to actively engage with you and communicate with increasing clarity and transparency. With your support we can and will become a stronger bp. One that is more sustainable in every way, especially in the creation of value for shareholders.

Albert Manifold

Chair
6 March 2026

Interim chief executive officer's letter



Dear fellow shareholders,

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

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

Safety comes first

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

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

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

Financial and operating performance

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

We also had a strong operational performance across bp.

In 2025 we:

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

Strategic progress

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

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

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

Looking forward and thanks

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

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

Carol Howle
Interim chief executive officer
6 March 2026

Nearest IFRS-equivalent measures

\$0.1bn

profit for 2025 attributable to bp shareholders^a

(10)%

Operating cash flow less total capital expenditure★ in 2025 vs 2024^{cd}

0.1%

profit for 2025 attributable to bp shareholders divided by total equity at 31 December 2025^{de}

\$58.0bn

finance debt at the end of 2025^f

a Underlying RC profit for the group is a non-IFRS measure and its nearest IFRS equivalent measure is profit for the year attributable to bp shareholders.

b This is on a price adjusted basis and is assuming a hypothetical price environment of \$70/bbl Brent, \$4/mmBtu Henry Hub, and \$10.3/bbl refining indicator margin (all 2024 real) and assumptions about the impact of these marker prices on underlying replacement cost profit before tax.

c Adjusted free cash flow on a price adjusted basis is a non-IFRS measure. The nearest IFRS equivalent measures to calculate adjusted free cash flow on a price adjusted basis CAGR are net cash provided by operating activities of \$24.5 billion for 2025 and \$27.3 billion for 2024 and total cash capital expenditure of \$14.5 billion for 2025 and \$16.2 billion for 2024. A reconciliation is provided on page 387.

d This does not form part of bp's Annual Report and Form 20-F as filed with the SEC.

e ROACE on a price adjusted basis is a non-IFRS measure. The nearest IFRS measures of the numerator and denominator are profit for 2025 attributable to bp shareholders of \$0.1 billion and total equity at the end of 2025 of \$74.0 billion respectively. A reconciliation is provided on page 385.

f Net debt is a non-IFRS measure and its nearest IFRS equivalent measure is finance debt at the end of 2025. See Note 27 for more information.

g Cumulative structural cost reduction since 2023, of which \$2 billion in 2025 and \$750 million in 2024. Structural cost reduction is decreases in underlying operating expenditure★. A reconciliation is provided on page 386.

h Following the outcome of the strategic review of *Castrol*, which resulted in the decision to divest a 65% shareholding, the \$4-5 billion structural cost reduction target by end 2027, introduced at the February 2025 Capital Markets Update, has increased.

Energy markets

The operating environment

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

The world economy grew by around 3.3%^a in 2025, stronger than had been expected in April 2025^b. Growth rates varied across economies, with US GDP estimated to have grown by 2.1%, while the eurozone economy expanded by only 1.4%^a. China's growth in 2025 is estimated to have been 5%^a, achieving the government 'around 5%' target.

Inflation continued to ease globally, moving closer to central banks' target levels in most major economies. This disinflationary trend allowed several central banks, including the US Federal Reserve and the European Central Bank, to cut interest rates. In the case of the Federal Reserve, further rate cuts are expected in 2026, based on financial market pricing.

Oil

Oil prices trended lower during 2025, amid strong supply and relatively weak demand growth.

Non-OPEC+ supply grew by 1.8mmb/d^c in 2025, led by offshore projects, oil sands, tight oil and NGLs, mostly from the Americas. OPEC+ supply grew by 1.3mmb/d^c in 2025, largely due to unwinding of production cuts from OPEC+8, especially Saudi Arabia. That steadily increasing supply meant that global oil supply is estimated to have been 3mmb/d^c higher over the year as a whole than in 2024. That contrasted with demand growth of only 0.8mmb/d, taking demand to 104mmb/d, and leading to a supply/demand imbalance of around 2.2mmb/d over the year as a whole^c.

The imbalance weighed on prices, with Dated Brent averaging \$69/bbl in 2025, down from \$81/bbl in 2024^d. OECD commercial inventories grew by 3% over the course of the year, compared to a 1% fall last year^e. Significant government stockpiling in China of around 550kb/d in 2Q25 and 3Q25 absorbed some of the supply/demand imbalance, and there was also an increase in the amount of oil being held in tankers at sea, which reached 2,006mmb, 232mmb higher than the five-year average, as sanctioned Russian and Iranian barrels were held off the market^c.

Natural gas

In the US, Henry Hub (HH) gas prices rebounded to their highest level since 2022^f due to a 26%^g year-on-year increase in LNG export demand and colder-than-normal start to the year. Higher gas prices supported a recovery in drilling activity in non-associated (dry) shale plays which, combined with well productivity gains, increasing gas-to-oil ratios in the Permian, and increased pipeline connectivity, meant that gas production grew by 4%^g, reaching record high levels.

Outside of North America, global gas demand grew by less than 1% in 2025^h. TTF and JKM increased 9%ⁱ and 3%^j respectively. A further reduction in Russian supply to the EU at the onset of 2025 contributed to the higher gas prices, reducing gas demand growth in Asia in particular. LNG supply from new liquefaction projects ramped up through the year and drove a near 7%^h increase in global LNG production.

Refining indicator margin

We have updated the metric used to track the refining margin environment to the refining indicator margin (RIM)^k. After a weak 1Q25, RIM increased over the rest of the year, supported by lower crude prices, relatively resilient product demand, tight product inventories and unplanned capacity outages and disruptions. RIM averaged \$12.8/bbl over 2025 as a whole, up \$2.1/bbl (19%) from its average level in 2024^k.

Power and renewables

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

Total solar and wind capacity additions in 2025 are estimated to have exceeded 600GW, breaking the previous record set in 2024^l. Bioenergy growth also maintained momentum, supported by resilient demand for liquid biofuels in road transport, rising biomethane output, and a growing pipeline of announced sustainable aviation fuel (SAF) capacity.

Hydrogen and carbon capture and storage

Persistent high costs and the slow pace of enabling policy continued to challenge the decarbonization of many harder-to-abate processes, including through technologies such as low carbon hydrogen and carbon capture.

The project pipeline for production of low carbon hydrogen has contracted recently and only around 4Mtpa^m is either currently operational or under construction. Growth of the global carbon capture and storage project pipeline slowed significantly in 2025. Operational and under-construction projects have now reached just over 100Mtpaⁿ in total capacity.

Market activity

	2025	2024
Global oil consumption ^c	104.0mmb/d	103.2mmb/d
Global oil production ^c	106.2mmb/d	103.1mmb/d
Natural gas consumption ^h	4,286bcm	4,251bcm
Natural gas production ^h	4,264bcm	4,224bcm
Dated Brent average ^d	\$69.10/bbl	\$80.76/bbl
West Texas Intermediate (WTI)★ average ^o	\$64.87/bbl	\$75.87/bbl
Henry Hub average ^f	\$3.52/mmBtu	\$2.19/mmBtu
Dutch Title Transfer Facility (TTF)★ average ⁱ	36.2 Euros per MWh (\$11.9/mmBtu)	34.4 Euros per MWh (\$10.9/mmBtu)
Japan-Korea (Asian) LNG average ^j	\$12.2/mmBtu	\$11.9/mmBtu
Refining indicator margin★	\$12.8/bbl	\$10.7/bbl

a IMF World Economic Outlook update, January 2026, measured on a Purchasing Power Parity basis.

b IMF World Economic Outlook, April 2025, measured on a Purchasing Power Parity basis.

c IEA Oil Market Report, January 2026.

d LSEG Data Management Solution (Dated Brent spot price).

e IEA Monthly Oil Data Service, January 2026.

f S&P Global Energy Platts Henry Hub spot price.

g EIA Short-term Energy Outlook, January 2026.

h IEA Gas Market Report, Q1-2026.

i S&P Global Energy Platts Dutch TTF day ahead price.

j S&P Global Energy Platts JKM spot price.

k bp has retired the refining marker margin (RMM) and replaced it with the bp refining indicator margin (RIM). The bp RIM reflects a broader set of crudes and products, and is more representative of bp's refining portfolio and realized refining margin per barrel. Actual margins realized by bp may vary due to a variety of factors, including the actual mix of crude and product for a given quarter.

l IEA Renewable Energy Progress Tracker. PV capacity additions are converted from DC to AC basis.

m IEA Global Hydrogen Review, September 2025.

n GCCSI Global Status of CCS 2025, October 2025.

o LSEG Data Management Solution (West Texas Intermediate).

Energy outlook

The *bp Energy Outlook 2025 (2025 Outlook)* explores the trends and uncertainties surrounding the energy transition out to 2050.

The *2025 Outlook* helps inform bp's views of the risks and opportunities posed by the energy transition. The scenarios within it explore the possible implications of different judgements and assumptions concerning the nature of the energy transition. The uncertainty associated with the transition is substantial, and these scenarios are not predictions of what is likely to happen or what bp would like to see happen. We use the output from these scenarios to help inform our strategic thinking.

We published the *2025 Outlook* in September 2025, designed around two scenarios informed by recent trends and developments in the global energy system. The *2025 Outlook* provides key insights about how the energy system may evolve over the next 25 years.

The two scenarios – Current Trajectory and Below 2°C (see 'Two scenarios to explore the energy transition', below) – explore the speed and shape of the energy transition out to 2050 and help to inform a resilient strategy for bp.

A new section in the *2025 Outlook* uses sensitivity analysis to discuss several key issues affecting the energy transition, including the possible implications of increased geopolitical fragmentation and sustained weakness in energy efficiency. Each sensitivity analysis examined possible impacts on the global energy system.

Scenarios for strategic decision making

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

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

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

How scenarios inform our strategy

The use of scenarios described in the *2025 Outlook*, and those from other organizations, aids our understanding of the energy transition and helps us to think about how different outcomes might impact our strategy.

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

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

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

For the purposes of testing the resilience of our strategy to the range of uncertainty in the energy transition, we have used scenarios drawn from other credible sources such as the International Energy Agency (IEA), the Network for Greening the Financial System (NGFS) and the UN Principles for Responsible Investment (UN PRI) to compile a catalogue of scenarios (our Transition Scenario Catalogue★). These include some scenarios considered by these data providers to be consistent with 1.5°C and well-below 2°C.

Read more on the Transition Scenario Catalogue, our resilience analysis and the outcome of that work on [page 49](#).

How we create scenarios

We quantify the scenarios in the *2025 Outlook* using our global energy modelling system. This comprises a suite of models to help us understand the supply and demand dynamics of the global energy system.

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

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

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

 [bp Energy Outlook 2025
bp.com/energyoutlook](https://www.bp.com/energyoutlook)

Two scenarios to explore the energy transition

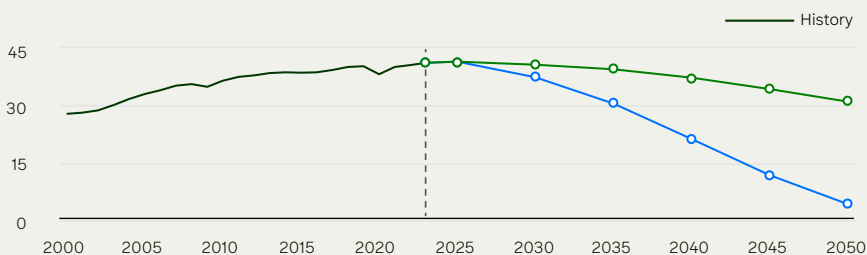
Carbon emissions Gt CO₂e^a

Current Trajectory

is designed to capture the broad pathway along which the global energy system is currently travelling. It places weight on climate policies already in force and on global aims and pledges for future decarbonization. At the same time, it recognizes the myriad challenges associated with meeting these aims. CO₂ equivalent (CO₂e) emissions in Current Trajectory peak in the mid-2020s and by 2050 are around 25% below 2023 levels.

Below 2°

explores how different elements of the energy system might change to achieve a substantial reduction in carbon emissions (a net 90% fall in CO₂e emissions by 2050). It assumes a significant tightening of climate policies alongside shifts in societal behaviour and preferences, which together support more rapid adoption of low carbon energy alongside faster gains in energy efficiency.



^a Carbon emissions include CO₂ emissions from energy use, industrial processes, natural gas flaring and methane emissions from energy production.

Our strategy

Our strategy helps bp compete and grow value as energy demand evolves and continues to grow, all in service of growing shareholder value and returns.

Growing upstream

Focusing downstream

Disciplined investment in transition

Growing the upstream: our oil and gas business

We are growing upstream production and cash flow through disciplined investment. We have a deep upstream resource base, and combined with disciplined investment criteria, we are well positioned to deliver medium and long-term organic growth.

Focusing the downstream: our customers and products business

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

Investing with discipline in transition

We are investing with discipline: with selective investment in biogas, biofuels and EV charging, where we see strong demand growth; adopting innovative capital-light partnerships in renewables; and focusing investment on hydrogen and carbon capture projects to support us in decarbonizing our operations, and position us for growth through the next decade.

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

Progress on our primary targets

We use four primary targets to measure our progress and how we are improving performance. These targets, alongside the guidance and financial frame (see [page 18](#)), support our strategy. Taken together, we believe our primary targets will underpin growth in the value of bp. Our progress in 2025 is set out below:

Primary targets	2025	2025 on a price adjusted basis	Targets
Adjusted free cash flow growth ★	25%^{ab} (from 2024-25)	~+55%^{ab} (from 2024-25)	>20%^c compound annual growth rate from 2024-27
Net debt ★	\$22.2bn^d	n/a	\$14-18bn by end 2027
Structural cost reduction ★	\$2.8bn^e (cumulative since 2023)	n/a	\$5.5-6.5bn^f by end 2027
Return on average capital employed (ROACE) ★	13.9%^g	~14%^{ag}	>16%^c in 2027

Nearest IFRS-equivalent measures

2025	-10%^{ab} operating cash flow★ less total capital expenditure★ from 2024-25
	\$58.0bn^d finance debt
	n/a
	0.1%^g profit for 2025 attributable to bp shareholders divided by total equity at 31 December 2025

a This does not form part of bp's Annual Report and Form 20-F as filed with the SEC.

b Adjusted free cash flow and adjusted free cash flow on a price adjusted basis are non-IFRS measures. The nearest IFRS equivalent measures to calculate adjusted free cash flow and adjusted free cash flow on a price adjusted basis CAGR are net cash provided by operating activities of \$24.5 billion for 2025 and \$27.3 billion for 2024 and total cash capital expenditure of \$14.5 billion for 2025 and \$16.2 billion for 2024. A reconciliation is provided on page 387.

c This is on a price adjusted basis that assumes a hypothetical price environment of \$70/bbl Brent, \$4/mmBtu Henry Hub, and \$10.3/bbl refining indicator margin (all 2024 real) and assumptions about the impact of these marker prices on underlying replacement cost profit before tax.

d Net debt is a non-IFRS measure. The nearest IFRS equivalent measure is finance debt at the end of 2025. See Note 27 for more information.

e Cumulative structural cost reduction since 2023, of which \$2 billion in 2025 and \$750 million in 2024. Structural cost reduction is decreases in underlying operating expenditure★. A reconciliation is provided on page 386.

f Following the outcome of the strategic review of *Castrol*, which resulted in the decision to divest a 65% shareholding, the \$4-5 billion structural cost reduction target by end 2027, introduced at the February 2025 Capital Markets Update, has increased.

g Return on average capital employed (ROACE) and ROACE on a price adjusted are non-IFRS measures. The nearest IFRS measures of the numerator and denominator are profit for 2025 attributable to bp shareholders of \$0.1 billion and total equity at the end of 2025 of \$74.0 billion respectively. A reconciliation is provided on page 385.

Our strategy in action

Growing upstream

In 2025 we advanced our upstream strategy and delivered seven major project start-ups, five of which were ahead of schedule. Start-ups included GTA, in Mauritania and Senegal, Cypre in Trinidad and Murlach in the UK North Sea. We also announced 12 discoveries, including Bumerangue in Brazil, our largest exploration discovery in 25 years, plus further finds in Brazil, Egypt, the Gulf of America, Libya and Trinidad, as well as discoveries in Namibia and Angola through Azule Energy, our 50-50 joint venture with Eni.

In upstream oil and gas production, we achieved our best wells reliability in years at 98% and a record full-year plant reliability★ at >96%. Our proved reserves replacement ratio★ was 90% – up from an average of around 50% in the prior two years.

In April we announced a Miocene oil discovery at the Far South prospect in Green Canyon Block 584, 120 miles off the coast of Louisiana. Drilled to 23,830 feet in 4,092 feet of water, the discovery signals potentially commercial volumes and helps to strengthen our upstream portfolio.

In August we announced the start-up of the Argos Southwest Extension project, seven months ahead of schedule. From appraisal to first oil, the project was developed in about 25 months – a record for bp. Argos has a gross production capacity of up to 140,000 barrels of oil per day (boe/d).

In December the development programme for the Karabagh field in the Caspian Sea, offshore Azerbaijan, was approved by the management committee (joint venture) and subsequently by State Oil Company of the Azerbaijan Republic (SOCAR) as the State representative. Seismic acquisition commenced thereafter.

We also completed the divestment of the Culzean gas field in the UK North Sea to NEO Next in December.

Image: Argos Southwest Extension project, US

→ [Read more on page 28-33](#)



Delivering operational value

From predictive analytics to seismic imaging, we are applying technological solutions to deliver operational value. In our upstream, technology has helped to lift plant reliability to 96.1%. Advances in seismic imaging are helping us explore more accurately, contributing to one of our best recorded years for exploration with 12 new discoveries, including through our joint ventures. And digital tools such as our asset and wells trajectory optimizer (AWTO) help plan safe routes from the surface to the reservoir in days instead of weeks or months.

Focusing downstream

2025 was also a strong year for the downstream, delivering a significant step up in performance. We achieved around \$1.6 billion in cumulative structural cost reductions★ (2024-25) and sustained refinery availability★ above 96%, strengthening commercial performance across refining, trading, midstream and fuels. Customers reported its highest underlying RC profit before interest and tax★ since 2019, with growth across all businesses.

As we continue streamlining our portfolio, in 2025 we reached an agreement to sell a 65%

stake in *Castrol*, completed the sale of the Netherlands mobility, convenience and *bp pulse* businesses, and announced plans to sell the Gelsenkirchen refinery and the Austria retail business.

As part of our broader retail network high-grading programme, in 2025 we exited around 5% of our company owned retail sites★, supporting our plan to exit around 10% by 2027.

In EV charging, we are focusing investment on four core markets and utilising our retail network to maximise returns.

Image: Rotterdam refinery, Netherlands

→ [Read more on page 34](#)



Digital-led marketing transformation

As part of our global marketing transformation programme, we consolidated 19 digital platforms into six and activated a global marketing and communications hub in Mumbai in 2025. The programme also includes deploying AI-driven technology to develop investment insights in more than 40 markets and tools to support segmentation and personalization. These changes have helped to streamline operations, accelerate delivery, and strengthen customer engagement.

Disciplined investment in transition

We focused our low carbon energy portfolio in 2025, prioritizing investment choices that deliver value for shareholders.

We formed JERA Nex bp, a 50:50 offshore wind joint venture between JERA and bp. The new joint venture brings together each parties' complementary expertise for a balanced mix of operating assets and development projects.

We sold our US onshore wind business to LS Power. And we continued to manage the pace of investment in biogas and refine and high-grade our hydrogen and carbon, capture and storage (CCS) portfolio. This included decisions not to progress H2Teesside and to end participation in projects in Oman, Australia and the US Gulf Coast. In 2025 we focused on delivering four sanctioned projects in 2024: Lingen green hydrogen project, Castellón green hydrogen project, the Northern Endurance Partnership (NEP), and Net Zero Teesside Power (NZT) – and the UCC project in Indonesia.

→ [Read more on page 28](#)

Consistency with the Paris goals

Pursuing a strategy that is consistent with the Paris goals

What we mean by Paris-consistent

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

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

The Paris goals, which we support, were restated in the Global Mutirão at COP30 in Belém in November 2025.

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

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

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

Informed by Paris-consistent energy transition scenarios

The speed and nature of the energy transition are uncertain, and so we consider a range of scenarios from multiple sources including the *bp Energy Outlook 2025* (see **page 7**) to develop and test our strategic thinking. This helps to reinforce our confidence in the robustness and resilience of our strategy to the range of uncertainty we face.

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

Strategic resilience

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

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

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

In our climate-related financial disclosures on **page 49**, we describe how we have conducted an analysis to test our view of the resilience of our strategy, based on the Capital Markets Update presented on 26 February 2025 (and the financial frame presented with bp’s fourth-quarter and full-year 2025 results on 10 February 2026), to different climate-related scenarios.

For the purposes of testing the resilience of our strategy to the range of uncertainty in the energy transition, we have used scenarios drawn from other credible sources such as the International Energy Agency (IEA), the Network for Greening the Financial System (NGFS) and the UN Principles for Responsible Investment (UN PRI) to compile a catalogue of scenarios (our Transition Scenario Catalogue★). These include scenarios considered by these data providers to be consistent with well-below 2°C and 1.5°C outcomes^a.

As further explained on **page 50**, while the results of any such analysis must be treated with caution overall, this resilience test again reinforced our confidence in the continued resilience of our strategy to a wide range of ways in which the energy system could evolve throughout this decade, including in scenarios consistent with limiting temperature rise to 1.5°C.

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

In the Transition Scenario Catalogue used for the analysis, while the lowest oil price is associated with a 1.5°C scenario, a number of the 1.5°C and well-below 2°C scenarios have oil prices in 2030 that are substantially higher than this – and when compared to bp’s own central case oil price planning assumption for 2030, the oil price in a number of the well-below 2°C and 1.5°C scenarios is also higher.

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

^a Our 2025 analysis used data from our Transition Scenario Catalogue★ which is based on the WBCSD Climate Scenario Catalogue version 3.0, published on 16-05-2024 and downloaded on 13-11-2024, with updates made for scenario updates subsequently published by relevant underlying data providers – such as IEA, UN PRI and NGFS. For more details on this see page 54.

Contributes to net zero

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

We continue to see opportunity in the energy transition – and there are many ways bp can contribute to the world getting to net zero outside of our aims to be net zero across our operations and sales by 2050 or sooner.

In addition to our transition businesses★ such as Archaea Energy and bp bioenergy, we aim to make a meaningful contribution to the world getting to net zero through investing with discipline in low carbon energy in ways that are capital light for bp. These investments are not readily quantifiable by metrics associated with bp's net zero aims. Examples of investments:

- Lightsource bp operates with a develop, engineer, construct and farm-down business model that creates value through selling majority interests in assets it has developed to strategic partners. Our net zero aims only recognize the impact of power when we sell it, rather than the power produced by assets we have farmed down.
- In 2025 JERA and bp completed the formation of JERA Nex bp, a 50:50-owned joint venture (JV), see [page 9](#). The development of renewable power generation often helps to displace more carbon intensive alternatives and thus supports decarbonization of the power grid.
- In 2025 in the UK, bp and partners continued to develop the Net Zero Teesside Power (NZE Power) and Northern Endurance Partnership (NEP) projects. The NZE and NEP projects have started construction on-site, with commercial operations expected in 2028. Once fully operational NZE will have the ability to capture up to 2 million tonnes of CO₂ per annum for storage via the NEP storage infrastructure which is sized for an initial 4 million tonnes of CO₂ per annum within the East Coast Cluster, with the ability to expand in the future. Where CO₂ is transported offshore for permanent storage on behalf of other entities (such as local heavy industries), this will not show up in bp's GHG metrics.

We also support collective action through participation in external initiatives, low carbon collaboration and support for others in their own decarbonization efforts. We seek to use the company's influence with trade associations that conduct climate-related advocacy.

As part of our broader advocacy efforts in connection with bp's strategy, we continue to advocate for well-designed policies that enable an energy transition consistent with the goals of the Paris Agreement.

Helping policymakers to design and put in place scalable low carbon policies that support the transition to net zero can help deliver our strategy and capitalize on the opportunities associated with the world achieving the Paris goals, but the benefit of such actions, if successful, extends well beyond any implications for bp's own GHG metrics. That is because well-designed low carbon policies can advance the decarbonization of a whole economy – something of potentially greater impact than a single company can achieve through its own portfolio.

Responding to shareholder interest in Paris consistency

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

The CA100+ resolution, which includes safeguards such as protections for commercially confidential and competitively sensitive information, is on [page 376](#). Key terms related to this resolution response are indicated with ★ and defined in the glossary on [page 376](#). These should be reviewed with the following information:

Element of the CA100+ resolution	Related content	Where
Strategy that the board considers in good faith to be consistent with the Paris goals.	Our strategy and business model	8 & 12
	Pursuing a strategy that is consistent with the Paris goals	10
How bp evaluates each new material capex investment★ for consistency with the Paris goals and other outcomes relevant to bp strategy.	Our investment process	20
Disclosure of bp's principal metrics and relevant targets or goals over the short, medium and long term, consistent with the Paris goals.	Key performance indicators	14
	Sustainability: net zero aims and targets	37
	See 'TCFD Metrics & Targets' for an overview	54
Anticipated levels of investment in:	Our strategy	8
(i) Oil and gas resources and reserves.	Financial frame: disciplined investment allocation	18
(ii) Other energy sources and technologies.	Transition business★ investment	21
bp's targets to promote operational GHG reductions.	Sustainability: net zero★ aims	37
Estimated carbon intensity of bp's energy products and progress over time.	Sustainability: net zero sales aim★	38
Any linkage between above targets and executive pay remuneration.	Directors' remuneration report	91
	2025 annual bonus outcome	99
	2026 remuneration policy	106

Our business model

An integrated energy company

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

→ [Read more about our strategy, page 8](#)

People and resources^a



61

countries of operation

93,700

employees

~11,300

engineers

\$14.5bn

capital expenditure★

\$274m

invested in research and development

2,958

granted and pending patent applications held by bp and its subsidiaries

6,191mmboe

proved hydrocarbon reserves for the group^b

>110 years

energy sector experience

^a Data as at 31 December 2025.
^b On a combined basis of subsidiaries and equity-accounted entities. See page 248 for more information on bp's oil and gas reserves.

Our organization

We have three main businesses – gas & low carbon energy, production & operations, and customers & products – enabled by supply, trading & shipping and technology.

And three teams serve as enablers of business delivery: finance; legal; and people, culture & communications.



Enabled by

Supply, trading & shipping

Connects energy producers, suppliers, markets and customers to keep energy flowing and help build out tomorrow's energy system.

Image: Traders at our Canary Wharf office, London, UK





Delivering value for stakeholders

Gas & low carbon energy

Combining and integrating our existing natural gas capabilities with power trading and growth in low carbon businesses and markets (see [page 28](#)).

Production & operations

The operational heart of bp, producing the hydrocarbon energy and products the world wants and needs – safely and efficiently (see [page 31](#)).

Customers & products

Innovating with new business models and service platforms to deliver the future of mobility, energy and services for our customers (see [page 34](#)).



Investors and shareholders

\$5.1bn

total dividends distributed to bp shareholders (2024 \$5.0bn)

Employees

66%

employee engagement score^c (2024 70%)

Customers

1,113mb/d

retail fuel volumes[★] (2024 1,125mb/d^d)

Society

\$64m

supporting additional initiatives to benefit communities (2024 \$76m)

Governments and regulators

\$8.3bn

corporate income and production tax paid (2024 \$10.6bn)

Partners and suppliers

\$142.5bn

in payments to suppliers for goods and services (2024 \$146.6bn)

^c As a result of changes to the question set and the inclusion of employees from our retail business in the 2025 Pulse survey, the engagement score for 2025 is not comparable with prior years.
^d 2024 baseline adjusted for portfolio changes to show underlying trend.

Technology

Drives digital and innovations with our science, engineering and digital capabilities.

Image: Colleagues at our Rotterdam refinery, Netherlands



Key performance indicators

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

In addition to our four financial primary targets, as described on [page 8](#), our key performance indicators (KPIs) set out the metrics that help the board and leadership team assess bp's performance. Our leadership team uses all these measures to evaluate operating performance and inform its financial, strategic and operating decisions.

Financial

Total shareholder return (%) ●



■ ADS basis ■ Ordinary share basis

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

2025 performance

Improved TSR reflects year-on-year growth in dividend per share and an increase in the share price.

Operational

Oil and gas production (mboe/d)



Oil and gas production tracks how our projects are helping grow our business. We report production of crude oil, condensate, natural gas liquids (NGLs), natural bitumen and natural gas on a volume per day basis for our subsidiaries and equity-accounted entities. Natural gas is converted to barrels of oil equivalent at 5,800 standard cubic feet of natural gas = 1 boe.

2025 performance

2025 reported production was down compared with 2024 mainly due to the divestments in Egypt and Trinidad in the fourth quarter of 2024 and base decline, partly offset by major projects★ start-ups and growth in bpx energy.

Upstream unit production costs (\$/boe)



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

2025 performance

Unit production costs was slightly higher, mainly due to portfolio mix.

Key

● Used for remuneration policy

TCFD TCFD Recommendations and Recommended Disclosures

Remuneration

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

→ [Directors' remuneration report, page 91](#)

Upstream ★ plant reliability (%)

2025		96.1
2024		95.2
2023		95.0
2022		96.0
2021		94.0

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

2025 performance

Delivered our record upstream plant reliability in 2025.

Refining availability (%)

2025		96.3
2024		94.3
2023		96.1
2022		94.5
2021		94.8

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

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

2025 performance

2025 refining availability was the best availability on record at 96.3%, driven by strengthened maintenance programmes, enhanced digital monitoring and improved outage recovery. Compared with 2024, it reflected improved reliability and notably the absence of the Whiting refinery power outage.

Refining throughputs (mb/d)

2025		1,440
2024		1,394
2023		1,411
2022		1,504
2021		1,594

Refinery throughputs are based on the quantity of crude and condensate processed per day. It represents the actual volume fed into the refinery's distillation units.

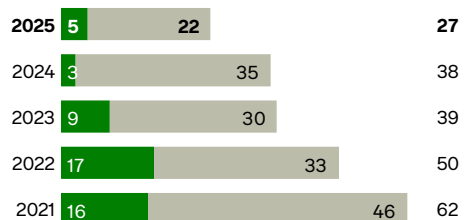
2025 performance

Refining throughputs in 2025 increased compared with 2024, reflecting the absence of the Whiting refinery power outage in 2024.

Key performance indicators continued

Safety and non-financial

Tier 1 and 2 process safety events^{★ab} ●



■ Tier 1 process safety events ■ Tier 2 process safety events

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

2025 performance

Our combined tier 1 and tier 2 process safety events (PSEs) have decreased for the last 12 years, apart from in 2019. In 2025 there were 27 PSEs, down from 38 in 2024. Tier 1 events increased to five (2024 three) and tier 2 events decreased to 22 (2024 35), see [page 55](#).

Reported recordable injury frequency^{★a}



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

2025 performance

In 2025 our RIF decreased by 21%. This reduction is encouraging, but we know we must continue improving our safety performance, including through applying the IOGP Life-Saving Rules and our Safety Leadership Principles. For more on safety, see [page 55](#).

Women in group leadership^{cd} (%)



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

Each year we report the percentage of women in group leadership.

2025 performance

The percentage of women in group leadership increased to 37% in 2025, continuing an upward trend over the previous five years.

Employee engagement^{ce} (%)



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

2025 performance

The 2025 Pulse annual survey, which ran in September, saw our engagement score decrease. The results reflect the significant organizational changes happening across bp. We continue to build engagement plans based on survey feedback and on real-time updates from our monthly snapshot, Pulse live, see [page 57](#).

Key

- Used for remuneration policy
- TCFD TCFD Recommendations and Recommended Disclosures

a Exclusions to safety metrics – tier 1 and 2 process safety events and recordable injuries may occur in entities that have been recently acquired or where bp has recently taken full ownership have been granted a deviation from specific reporting requirements in bp's Operating Management System (OMS)★ for an initial transitional period. As such, data from Archaea Energy, TravelCenters of America, Lightsource bp, bp bioenergy, X Convenience and new Eagle Ford assets in bpx energy are not included in 2025 reported data.

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

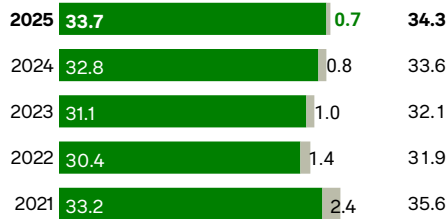
c Relates to bp employees.

d Group leaders are our most senior leaders. Their roles include operational, functional and regional leadership.

e As a result of changes to the question set and the inclusion of employees from our retail business in the 2025 Pulse survey, the engagement score for 2025 is not comparable with prior years.

GHG emissions^{abcde} –

operational control (MtCO₂e) ^{TCFD}



■ Scope 1 (direct) emissions ■ Scope 2 (indirect) emissions

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

2025 performance

In 2025 our combined Scope 1 and 2 emissions increased due to growth in our portfolio and project start-ups. Scope 1 (direct) emissions were 33.7MtCO₂e^{de} – an overall increase from 32.8MtCO₂e in 2024.

Of these Scope 1 emissions, 32.8MtCO₂e were carbon dioxide and 0.9MtCO₂e were from methane. In 2025 our Scope 2f (indirect) emissions decreased by 0.1MtCO₂e, to 0.7MtCO₂e, compared with 2024, see [page 37](#).

Basis of calculation^b

bp’s reported GHG emissions include methane (CH₄) and carbon dioxide (CO₂). Other GHGs are not included as they are not material to our operations. CH₄ emissions are converted to CO₂ equivalent using the 100-year global warming potential recommended by the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC).

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

Methane intensity^{ag} (%) ^{TCFD}



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

2025 performance

Our methane intensity was 0.04% in 2025, and the methane emissions from our upstream operations used to calculate this intensity were 25kt (2024 46kt), see [page 38](#).

Basis of calculation^b

All operated upstream assets report methane (CH₄) emissions on a 100% basis, including emissions from operated upstream oil and gas and also includes terminals and LNG facilities. Marketed gas production: all upstream gas reaching a market from bp-operated upstream assets, whether or not this is bp-owned product, and includes gas production from natural gas wells and associated gas from oil production wells. Throughput from bp-operated oil and gas terminals is excluded to avoid double counting despite their associated CH₄ emissions being included in the metric. CH₄ data are required to be submitted into the bp group reporting tool, in accordance with OMS requirements, broadly following the GHG Protocol Corporate Standard and the Ipieca Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions 2nd Edition, May 2011. The responsibility for quantifying and submitting CH₄ emissions for reporting is assigned to individual bp facilities and business departments (RUs).

a These are our KPIs for the purposes of our disclosures pursuant to the UK CFD Regulations 2022 and Section 414CB (2A) (h) of the Companies Act 2006.
 b Included as part of disclosures pursuant to the UK CFD Regulations.
 c Total (100%) Scope 1 (direct) GHG emissions from source activities operated by bp or otherwise within bp’s operational control boundary. bp’s reported GHG emissions include CH₄ and CO₂.
 d Due to rounding some totals may not agree exactly to the sum of their component parts.
 e In 2025 bp made an adjustment to the operational control boundary for Scope 1 and 2 GHG emissions. This means certain operations, assets or sources which were previously included such as power generation on contractor-operated drilling rigs are now excluded. This change has a less than 1% impact on reported operational emissions. For more information on the scope of bp’s operational control boundary see [bp.com/basisofreporting](#).
 f Scope 2 emissions on a market basis, covered by bp’s net zero operations aim.
 g Prior to 2024 these emissions were calculated using a different methodology and therefore the methane intensity reported in those years and calculated using that data does not directly correlate to progress towards delivering the 2025 target. Prior year data is provided for information purposes, and we do not seek to directly compare prior years.

Our financial frame

Strengthening the balance sheet to manage and grow the business

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

Dividend

The resilient dividend is our first capital allocation priority. For the second quarter 2025, our dividend per ordinary share increased by 4% from 8.000 to 8.320 cents.

Based on our current forecasts and subject to the board's discretion each quarter, the dividend is expected to increase by at least 4% per ordinary share a year.

Strengthening the balance sheet

We are committed to strengthening the balance sheet and continue to target improving credit metrics within an 'A' grade credit range. We reiterate our primary target for net debt★ of \$14-18 billion by the end of 2027.

During 2025, finance debt decreased from \$59.5 billion to \$58.0 billion and net debt decreased from \$23.0 billion to \$22.2 billion.

When considering our capital structure, we also look at other instruments including hybrid bonds and securities or obligations such as leases and Gulf of America settlement liabilities. At year-end 2025 the total of net debt, hybrid bonds and securities, leases and Gulf of America settlement liabilities was \$57.8 billion.

Following a decision by the board at the fourth quarter 2025 results announcement to suspend share buybacks, excess cash★ will now be fully allocated to the balance sheet, in service of optimizing financing costs and to accelerate strengthening of the balance sheet.

Disciplined investment

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

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

In 2025 capital expenditure★ was \$14.5 billion. We expect capital expenditure to be \$13.0-13.5 billion in 2026. This includes expenditure on inorganic opportunities. We believe this level of capital expenditure supports progressively growing earnings per ordinary share in the long term.

Share buybacks

We announced share buybacks of \$2.25 billion for 2025 and shareholder distributions, comprising dividends and buybacks, were around 30%^b of our 2025 operating cash flow★.

At the fourth quarter 2025 results in February 2026, the board decided to suspend share buybacks and fully allocate excess cash to accelerate strengthening of the balance sheet, optimizing financing costs and improving cash flow.

Our financial frame

Shareholder distributions

Resilient dividend

Expect annual increase of the dividend per ordinary share of at least 4%^a

Balance sheet

\$14-18bn

Net debt target by end 2027

'A' range credit metrics through cycle

Capital expenditure

\$13.0-13.5bn

in 2026

Disciplined investment allocation, assessed against a set of balanced criteria

^a Shareholder distribution decisions, including dividends and share buybacks, are subject to board discretion, taking into account factors including, but not limited to, current forecasts and credit metrics.

^b Includes all share buybacks and dividends announced for 2025. The dividend announced for the fourth quarter 2025 amount is estimated.

Our investor proposition: a simpler, stronger and more valuable bp

As we reflect on our progress in 2025 and look forward to the future, we are aligned around our conviction in bp's potential to grow significant long-term shareholder value and we are in action to simplify and strengthen the company.

Strong operational performance

Strengthening the balance sheet

Improving capital discipline

Driving to top quartile on costs

Growing cash flow and returns

A simpler bp

Continuing to focus on high grading the portfolio.

Record asset uptime; exploration success; focusing downstream; seven project start-ups; driving deeper and faster on cost and capital efficiency.

Performance interventions delivered in 2025, giving us strong momentum into 2026.

A stronger bp

Fully allocate excess cash★ to the balance sheet.

Target to reduce net debt★ to \$14-18 billion by end 2027.

Target \$5.5-6.5 billion^a of structural cost reductions★ by end 2027.

A more valuable bp

Target of >20%^b CAGR adjusted free cash flow growth★ from 2024-2027 and expected progressive dividend growth of at least 4%^c per annum.

Group ROACE★ target of >16%^b by end 2027.

Deep upstream resource base combined with disciplined investment criteria – well positioned to deliver medium and long-term organic growth.

All underpinned by our commitment to safety in everything we do.

→ [Our strategy and primary targets, page 8](#)

2026 guidance

	2026 guidance	2025 actual
Upstream reported production (guidance is both reported and underlying production★)	Reported production to be slightly lower/underlying production to be broadly flat compared with 2025	2.3m mboe/d
Total capital expenditure★	\$13-13.5bn, weighted to the first half	\$14.5bn
Depreciation, depletion and amortization	Broadly flat compared with 2025	\$17.8bn
Divestments and other proceeds ^d	\$9-10bn, including approximately \$6bn from the announced <i>Castrol</i> transaction, all significantly weighted to the second half	\$5.3bn
Gulf of America oil spill payments ^e (pre-tax)	Around \$1.6bn pre-tax, of which \$0.4bn in the first quarter and \$1.1bn in the second quarter	\$1.2bn
Other businesses & corporate underlying annual charge	Around \$1bn	\$0.6bn
Underlying effective tax rate★	Around 40% ^f	42% ^g

a Following the outcome of the strategic review of *Castrol*, which resulted in the decision to divest a 65% shareholding, the \$4-5 billion structural cost reduction target by end 2027, introduced at the February 2025 Capital Markets Update, has increased.

b This is on a price adjusted basis that assumes a hypothetical price environment of \$70/bbl Brent, \$4/mmBtu Henry Hub, and \$10.3/bbl refining indicator margin (all 2024 real) and assumptions about the impact of these market prices on underlying replacement cost profit before tax.

c Shareholder distribution decisions, including dividends and share buybacks, are subject to board discretion, taking into account factors including, but not limited to, current forecasts and credit metrics.

d Divestment proceeds are disposal proceeds as per the group cash flow statement. See page 26 for more information on divestment and other proceeds.

e See Financial statements – Note 22 for more information on payables related to the Gulf of America oil spill.

f Underlying effective tax rate is sensitive to the impact that volatility in the current price environment may have on the geographical mix of the group's profits and losses.

g Non-IFRS measure and its nearest IFRS equivalent measure for 2025 is effective tax rate of 83%.

The guidance above contains forward-looking statements and should be read in conjunction with the cautionary statement on [page 362](#).

Our investment process

How we use price assumptions

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

The role of price assumptions

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

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

From February 2025 until January 2026, we held our key investment appraisal price assumptions constant at the levels set out in the *bp Annual Report and Form 20-F 2024*. For relevant investment cases assessed from February 2026, we have applied and plan to apply the prices shown in the key investment appraisal assumptions table (right) for our central price case. Brent oil and Henry Hub gas assumptions average around \$67/bbl and \$4.4/mmBtu respectively (2024 \$ real) from 2026 to 2050.

We consider these prices to be broadly consistent with a range of transition paths compatible with meeting the Paris goals, but they do not correspond to any specific Paris-consistent scenario. We also consider a range of other price assumptions in investment appraisals, including product and market-specific prices relevant to individual investment cases.

We apply carbon prices rising from \$67/tCO₂e in 2026 to \$135/tCO₂e in 2030 and \$200/tCO₂e by 2050 (2024 \$ real) in certain cases (see box, right).

Impairment testing

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

Impairment price assumptions were held constant in 2025 at the levels disclosed in the *bp Annual Report and Form 20-F 2024* until the fourth quarter, when the updated investment appraisal price assumptions shown below were used for value-in-use impairment testing.

Key investment appraisal assumptions^a TCFD

2024 \$ real	2030	2040	2050
Brent oil (\$/bbl)	70	67	60
Henry Hub gas (\$/mmBtu)	4.1	4.5	4.5
Refining indicator margin (RIM) ^b ★ (\$/bbl)	12.0	8.5	5.0

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

Carbon price TCFD

2024 \$ real	2030	2040	2050
Carbon (\$/tCO ₂ e)	135	175	200

a The values in the table represent the central case.

b The disclosed RIM assumptions in the table exclude carbon pricing impacts and assume a normalized cost of renewable identification numbers (RINs).

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

Investment process price assumptions

All investments are evaluated against relevant price assumptions for oil, natural gas, refining margins or other commodities across a range of alternative price or margin series (typically a central, upper and lower series). In addition, all investment cases with anticipated annual operational GHG emissions (Scope 1 and 2) above 20,000 tonnes of CO₂ equivalent (bp net), must estimate those anticipated GHG emissions and include an associated carbon cost in the investment economics, using the carbon prices above.

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

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

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

Investment governance and evaluating consistency with the Paris goals

Governance framework

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

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

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

Our investment framework also includes processes to review investment outcomes. During construction, and for two years after start-up, major project investments are included in an annual effectiveness of investment review, which tracks investments' delivery against the assumptions used in their investment cases. Key findings are shared with the board. Around two years after completion, investments above defined financial thresholds also prepare a post project evaluation to share lessons learned across bp businesses – including reviews of strategic, commercial, and technical assumptions, decisions, and delivery.

The role of the board

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

Resource commitment meeting

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

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

bp's evaluation of the consistency of such investments with the Paris goals was undertaken by the RCM for new material capex investments sanctioned in 2025 (see [page 23](#)).

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

bp board

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



Resource commitment meeting

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



Investment allocation committees

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



Business group investment governance meetings

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



Cross-group meetings

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

Transition business investment

bp set out anticipated investment in transition businesses★ through to 2027 as part of our reset strategy in February 2025. This investment was \$2.3 billion in 2025 including \$0.8 billion of inorganic spend.

EV charging: In EV charging, we are focusing investment in four core markets – Germany, UK, China and the US, with joint ventures in the Iberian region and India. We are utilizing our retail network to maximise returns. And we opened new ultra-fast★ charging hubs at major airports in the US.

Bioenergy: We completed the commercial integration of bp bioenergy, including the final deferred capital payment. We continued to scale biofuels but allocated capital only where projects are economically robust and aligned with demand progression. Consistent with this approach, we took the decision to stop further work on the development of a standalone biofuels production (HEFA) facility at our Rotterdam refinery in the Netherlands. In January 2026, we also announced the launch of Etlas, a new 50:50 joint venture with Corteva to produce oil from crops for use in the production of biofuels such as sustainable aviation fuel (SAF) and renewable diesel (RD), see [page 35](#).

Our biogas business, Archaea Energy, continued its growth, starting up eight new renewable natural gas (RNG)★ landfill plants in 2025.

Low carbon energy: We focused our low carbon energy portfolio, prioritizing investment choices that deliver value for shareholders. In December we completed the sale of our US onshore wind business, bp Wind Energy, to LS Power. And we formed JERA Nex bp, a 50:50 joint venture between JERA and bp, focused on offshore wind development, ownership and operations, see [page 9](#).

Hydrogen and carbon capture and storage (CCS): We continued to refine our portfolio, including the decisions not to progress H2Teesside and to end our participation in projects in Oman, Australia and the US Gulf Coast. In 2025 we focused on delivering four projects sanctioned in 2024: Lingen green hydrogen★ project, Castellón green hydrogen project, the Northern Endurance Partnership (NEP), and Net Zero Teesside Power (NZT).

Our investment process continued

Balanced investment criteria

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

The **six** balanced investment criteria are:

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

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

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

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

1. For our upstream business (including biogas), we seek an IRR of 15%.
2. For our downstream business (including EV charging and biofuels), we seek portfolio-level returns in excess of 15%.

For investments in hydrogen and CCS, we expect levered returns in the mid-teens, including farm-down and integration value.

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

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

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

Paris consistency evaluation process

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

For evaluations conducted in 2025, investments in scope for evaluation were defined as:

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

Quantitative evaluations

For our investment economics and sustainability investment criteria we considered quantitative guide levels, as set out below, to inform the evaluation of each investment’s consistency with the goals of the Paris Agreement. For evaluations in 2025 we used the central price IRR and other economic hurdles, as set out in the *bp Annual Report and Form 20-F 2024* (page 22). As in previous years, we used our operational carbon intensity★ as a guide level, reflecting our portfolio average. As our approach matures with experience, we may continue to adjust or supplement our methodology. There may be instances when new material capex investments are evaluated as consistent with the Paris goals despite either the economic or sustainability guide levels not being met. The RCM may also take account, in its Paris consistency evaluation, of the six balanced investment criteria using qualitative assessments.

Investment economics: We calculated economic indicators using our central price, and where applicable, our lower price cases, and applying our carbon price assumptions to relevant operational GHG emissions. (For our current key central case oil and natural gas price assumptions, see [page 20](#), where we also set out our view on their consistency with achieving the Paris goals). We then compared the economic indicators to the relevant economic guide level (see below), based on the corresponding hurdles. We typically target a threshold of >1.0x the relevant IRR guide level, as set out in the *bp Annual Report and Form 20-F 2024* (page 22).

Sustainability: Where appropriate, we compared the operational carbon intensity of the investment (on the basis of equity share) to the portfolio average equity share GHG emissions intensity shown in the *bp ESG Datasheet 2024* for the relevant business activity (Exploration, production and LNG). We normally target a ratio of less than 100%, meaning that the investment is expected to reduce the average operational carbon intensity of the relevant portfolio. The potential impact of new material capex investments on bp’s net zero aims is a further consideration.

Evaluation outcome

In 2025 eight new material capex investments were approved. All were evaluated as being consistent with the Paris goals, taking into account both quantitative and qualitative evaluations and the balanced criteria above.

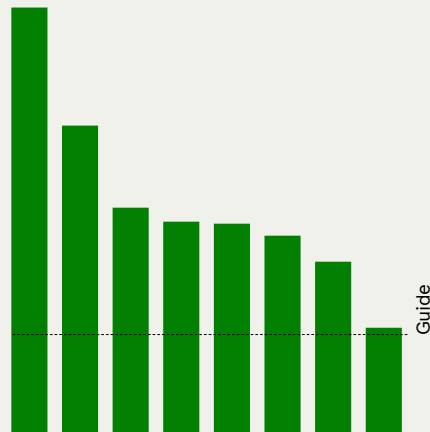
Evaluation of investment performance against quantitative guide levels

All eight investments exceeded the IRR guide level as shown in the chart.

Six of the eight investments had emissions intensities below the relevant intensity guide level. Of the remaining two investments, one produces gas that is processed at an existing LNG facility, with overall emissions intensity (including midstream onshore processing) higher than our overall portfolio average, but upstream-only emissions that are below portfolio average. This investment was supported taking into account our qualitative assessment, including the role LNG plays in the energy transition – especially in the Asia Pacific region – and the strength of the investment economics. We do not show a carbon intensity for the eighth investment because bp does not have any ownership interest in the asset or any right to the production.

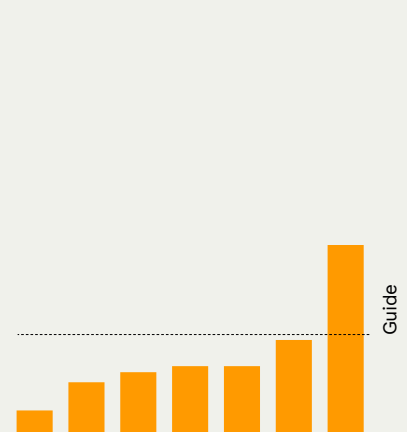
Investment economics

Against central price IRR hurdle



Sustainability

Against operational carbon intensity



Decisions taken in 2025

In 2025 there were eight new material capex investment decisions evaluated for Paris consistency, described here approximately in the order the investment decisions were made:

Ginger: We sanctioned the Ginger gas development in Trinidad and Tobago. Ginger will be our fourth subsea project in the country and will be tied back to our existing Mahogany B platform. First gas from the project is expected in 2027, making Ginger one of bp’s 10 major projects expected to start up between 2025 and 2027. At peak, the development is expected to have the capacity to produce average gas production of 62,000 barrels of oil equivalent per day.

KGD6 Infill Wells: We approved investment in drilling four offshore infill gas wells in the KGD6 block in India to be brought online in 2028. The infill wells target incremental production, benefiting from the use of existing infrastructure.

Shah Deniz Compression: In June bp and its partners agreed the final investment decision for the \$2.9 billion Shah Deniz Compression project. The project is designed to access and produce low pressure gas resources from the field, increasing resource recovery and extending production life. The project is expected to allow production of around an additional gross 50 billion cubic metres of gas and 25 million barrels of condensate. The project is expected to receive first gas in 2029.

Atlantis Major Facility Expansion: The Atlantis Major Facility Expansion project aims to enhance production at the Atlantis field by injecting water into targeted reservoirs to help access harder-to-reach barrels. We plan to start up the facility in 2027.

Kirkuk redevelopment: In 2025 bp agreed with the government of Iraq to help redevelop several fields in Kirkuk, in the north of Iraq. We will work initially with Iraq’s North Oil Company and North Gas Company to stabilize and grow production. Work will include a drilling programme, rehabilitation of existing wells and facilities, and construction of new infrastructure, including gas expansion projects.

Tiber and Guadalupe: In September we took a final investment decision on bp’s Tiber and Guadalupe developments in the Gulf of America, approving its second new production platform in less than two years in the critical US offshore region. Production from the new floating production platform, which is expected to have the capacity to produce 80,000 barrels of crude oil per day, is expected to start in 2030.

Greater Western Flank 4: We approved infill investment in the Greater Western Flank 4 development in Australia’s North West Shelf. This is a five-well subsea programme tied back to existing infrastructure to help sustain reliable gas supply to regional markets.

Juniper Wells: We approved investment in decompletion of three existing wells, along with drilling and completion of three single zone sidetracks in Trinidad and Tobago. The infill programme is expected to deliver around 19mmboe, with the first gas expected in 2027.

Building for the future



\$0.1bn

profit attributable to bp
shareholders
(2024 profit \$0.4bn)

\$7.5bn

underlying replacement
cost (RC) profit★
(2024 profit \$8.9bn)

\$24.5bn

operating cash flow★
(2024 \$27.3bn)

Financial and operating performance

	\$ million except per share amounts		
	2025	2024	2023
Sales and other operating revenues	189,335	189,185	210,130
Profit before interest and tax	12,642	11,297	27,348
Finance costs and net finance income/expense relating to pensions and other post-employment benefits	(4,896)	(4,515)	(3,599)
Taxation	(6,451)	(5,553)	(7,869)
Profit (loss) for the year	1,295	1,229	15,880
Non-controlling interest	(1,240)	(848)	(641)
Profit (loss) for the year attributable to bp shareholders	55	381	15,239
Inventory holding (gains) losses★, before tax	1,351	488	1,236
Taxation charge (credit) on inventory holding gains and losses	(334)	(119)	(292)
Replacement cost (RC) profit (loss)★	1,072	750	16,183
Net (favourable) adverse impact of adjusting items★ ^a , before tax	5,885	9,344	(1,143)
Total taxation charge (credit) on adjusting items	528	(1,179)	(1,204)
Underlying RC profit	7,485	8,915	13,836
Adjusted EBITDA★	37,615	38,012	43,710
Dividend paid per ordinary share (cents)	32.640	30.540	27.760
Dividend paid per ordinary share (pence)	24.509	23.720	22.328
Profit per ordinary share (cents)	0.35	2.38	87.78
Profit per ADS (dollars)	0.02	0.14	5.27
Underlying RC profit per ordinary share★ (cents)	48.02	54.40	79.69
Underlying RC profit per ADS★ (dollars)	2.88	3.26	4.78
Adjusting items^a			
Gains on sale of businesses and fixed assets	987	670	361
Net impairment and losses on sale of businesses and fixed assets	(6,035)	(6,930)	(5,838)
Environmental and related provisions	(656)	(181)	(647)
Restructuring, integration and rationalization costs	(520)	(222)	37
Fair value accounting effects (FVAEs) ^b	2,220	(1,852)	9,403
Gulf of America oil spill	(31)	(51)	(57)
Other	(1,422)	(273)	(1,711)
Total before interest and taxation	(5,457)	(8,839)	1,548
Finance costs	(428)	(505)	(405)
	(5,885)	(9,344)	1,143
Adjusting items total taxation	(528)	1,179	1,204
	(6,413)	(8,165)	2,347

a See page 336 for more information.

b See page 337 for information on the cumulative impact of FVAEs.

At 31 December 2025 the group's reportable segments are gas & low carbon energy, oil production & operations and customers & products. Each is managed separately, with decisions taken for the segment as a whole, and represent a single operating segment that does not result from aggregating two or more segments. See Financial statements – **Note 5** Segmental analysis.

Results

The profit for the year ended 31 December 2025 attributable to bp shareholders was \$0.1 billion, compared with \$0.4 billion in 2024.

After adjusting profit attributable to bp shareholders for inventory holding losses and a net adverse impact of adjusting items, underlying RC profit for the year ended 31 December 2025 was \$7.5 billion. The result reflected lower liquids realizations, lower gas marketing and trading result, partly offset by stronger performance in customers & products. The oil trading contribution was broadly flat.

For 2024, after adjusting profit attributable to bp shareholders for inventory holding losses and a net adverse impact of adjusting items underlying RC profit was \$8.9 billion. The result reflected lower refining margins, lower realizations, a lower gas marketing and trading result and a lower oil trading contribution, partly offset by lower taxation.

For a discussion of bp's financial and operating performance for the years ending 31 December 2023 and 31 December 2024, see *bp Annual Report and Form 20-F 2024*, pages 24-37.

Adjusting items

In 2025 the net adverse pre-tax impact of items, which bp has classified as adjusting (adjusting items) was \$5.9 billion including:

- Favourable fair value accounting effects (FVAEs) relative to management's measure of performance of \$2.2 billion primarily related to a favourable impact of FVAEs relating to the hybrid bonds and to the relative decline in LNG forward prices over the period in addition to the realization of gains as cargoes were delivered. The impacts of FVAEs relative to management's internal measure of performance are provided on **page 337**.

- Net impairment and losses on sale of businesses and fixed assets includes net impairment charges of \$5.4 billion which primarily relate to Lightsource bp and Archaea Energy.
- In addition, \$1.4 billion net impairment charges, of which \$1.1 billion primarily relates to the Archaea Energy and offshore wind businesses, were reported through equity-accounted earnings (reported within the 'other' category).

In 2024 the net adverse pre-tax impact of adjusting items was \$9.3 billion including:

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

See Financial statements – **Note 4** for more information on impairments, and **pages 336 and 337** for more information on adjusting items and FVAEs.

Taxation

The charge for corporate income taxes was \$6,451 million in 2025 compared with \$5,553 million in 2024. The effective tax rate (ETR) on the profit before taxation for the year in 2025 was 83%, compared with 82% in 2024. The ETR on the profit before taxation for the year in 2025 and 2024 was impacted by fair value accounting effects and other adjusting items, including limited tax relief on impairment charges. Excluding inventory holding gains or losses and adjusting items, the underlying ETR★ in 2025 was 42% compared with 41% in 2024.

Underlying ETR is a non-IFRS measure. A reconciliation to IFRS information is provided on **page 384**.

Outlook for 2026

2026 guidance

- bp expects reported upstream★ production to be slightly lower and underlying upstream production★ to be broadly flat compared with 2025. Within this, bp expects underlying production from oil production & operations to be broadly flat and production from gas & low carbon energy to be lower.
- In its customers business, bp expects to make continued progress growing cash flows, supported by lower underlying operating expenditure★ driven by structural cost reductions★. These benefits will be partly offset by the earnings impact of completed and announced divestments. Reported earnings will benefit from lower depreciation as a result of the assets held for sale accounting treatment of *Castrol* following the planned divestment. Fuel margins are expected to remain sensitive to movements in the cost of supply.
- In products, bp expects significantly lower level of turnaround activity.
- bp expects other businesses & corporate underlying annual charge to be around \$1.0 billion for 2026. The charge may vary from quarter to quarter.
- The underlying ETR for 2026 is expected to be around 40% but it is sensitive to a range of factors, including the volatility of the price environment and its impact on the geographical mix of the group's profits and losses.

Group performance continued

Cash flow and debt information

	\$ million		
	2025	2024	2023
Cash flow			
Operating cash flow★	24,493	27,297	32,039
Net cash used in investing activities	(11,504)	(13,250)	(14,872)
Net cash provided by (used in) financing activities	(15,880)	(7,297)	(13,359)
Cash and cash equivalents at end of year ^a	36,624	39,269	33,030
Capital expenditure★^b	(14,533)	(16,237)	(16,253)
Divestment and other proceeds^c	5,314	4,224	1,843
Debt			
Finance debt	57,958	59,547	51,954
Net debt★	22,182	22,997	20,912
Net debt including leases★	35,686	34,909	31,902
Finance debt ratio★(%)	43.9%	43.2%	37.8%
Gearing★(%)	23.1%	22.7%	19.7%
Gearing including leases★(%)	32.5%	30.8%	27.2%

a 2025 and 2024 include \$68 million and \$65 million respectively of cash and cash equivalents classified as assets held for sale in the group balance sheet.

b An analysis of capital expenditure by segment and region is provided on page 335.

c Divestment proceeds are disposal proceeds as per the group cash flow statement. See below for more information on divestment and other proceeds.

Operating cash flow

Operating cash flow for the year ended 31 December 2025 was \$24.5 billion, \$2.8 billion lower than 2024. Compared with 2024, operating cash flows in 2025 primarily reflected working capital movements partly offset by higher profits from operations and lower tax payments.

Movements in working capital★ adversely impacted cash flow in the year by \$4.8 billion, including an adverse impact from the Gulf of America oil spill of \$1.1 billion. Other working capital effects were principally an increase in derivative assets. bp actively manages its working capital balances to optimize and reduce volatility in cash flow.

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

Movements in working capital favourably impacted cash flow in 2024 by \$4.0 billion, including an adverse impact from the Gulf of America oil spill of \$1.1 billion. Other working capital effects were principally a decrease in other current assets.

Net cash used in investing activities

Net cash used in investing activities for the year ended 31 December 2025 decreased by \$1.7 billion compared with 2024.

The decrease mainly reflected a decrease in expenditure on fixed assets reflecting the phasing of spend within the lower capital frame for 2025 partly offset by deferred acquisition payments.

Total capital expenditure for 2025 was \$14.5 billion (2024 \$16.2 billion), of which organic capital expenditure★ was \$13.6 billion (2024 \$16.1 billion). Inorganic capital expenditure for 2025 includes the final payment for the bp Bunge Bioenergia 2024 acquisition. Inorganic capital expenditure for 2024 includes the cash acquired net of acquisition payments on completion of the bp Bunge Bioenergia and Lightsources bp acquisitions. Sources of funding are fungible, but the majority of the group's funding requirements for new investment comes from cash generated by existing operations. bp expects capital expenditure of around \$13-13.5 billion in 2026.

Total divestment and other proceeds for 2025 amounted to \$5.3 billion, including amounts received from the sale of the US onshore wind, Netherlands mobility & convenience and bp pulse businesses. Other proceeds for 2025 consist of \$1.5 billion from the sale of non-controlling interests in the Permian and Eagle Ford midstream assets and \$1.0 billion from the sale of a non-controlling interest in the subsidiary that holds our 12% share in the Trans-Anatolian natural gas pipeline (TANAP).

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

bp expects divestment and other proceeds to be \$9-10 billion in 2026, including approximately \$6 billion from the announced *Castrol* transaction.

Net cash provided by (used in) financing activities

Net cash used in financing activities for the year ended 31 December 2025 was \$15.9 billion, compared with \$7.3 billion in 2024. Compared with 2024, financing cash flows in 2025 primarily reflected net repayments compared to net proceeds from the issuance and repayment of finance debt, and lower receipts from the issue of perpetual hybrid bonds, partly offset by a decrease in share buybacks, and an increase in receipts relating to transactions involving non-controlling interests.

In 2025, 836 million ordinary shares (2024 1,238 million) were repurchased for a total cost of \$4.5 billion (2024 \$7.1 billion), including transaction costs of \$24 million (2024 \$38 million). Of these, 176 million shares repurchased were cancelled and 659 million shares were held as treasury shares.

Total dividends paid to shareholders in 2025 were 32.640 cents per share, 2.10 cents higher than 2024. This amounted to total dividends paid to shareholders of \$5.1 billion in 2025 (2024 \$5.0 billion). The board decided not to offer a scrip dividend alternative in respect of the 2025 and 2024 dividends.

Debt

Finance debt at the end of 2025 decreased by \$1.6 billion from the end of 2024 primarily reflecting net repayments of long-term finance debt, partly offset by changes in fair value where hedge accounting is applied. The finance debt ratio at the end of 2025 increased to 43.9% from 43.2% at the end of 2024.

Net debt at the end of 2025 decreased by \$0.8 billion from the 2024 year-end position. Gearing at the end of 2025 increased to 23.1% from 22.7% at the end of 2024. Net debt and gearing are non-IFRS measures. See Financial statements – **Notes 26** and **27** for further information on finance debt and net debt.

For information on financing the group's activities see Financial statements – **Note 29** and Liquidity and capital resources on **page 338**.

Group reserves and production^a

	2025	2024	2023
Estimated net proved reserves (net of royalties)			
Liquids (mmb)	3,447	3,699	3,747
Natural gas (bcf)	15,916	14,786	17,471
Total hydrocarbons ^b (mmb/e)	6,191	6,248	6,759
<i>Of which:</i>			
Equity-accounted entities ^b	1,330	1,377	1,437
Production (net of royalties)			
Liquids (mb/d)	1,199	1,166	1,115
Natural gas (mmcf/d)	6,450	6,914	6,944
Total hydrocarbons (mboe/d)	2,312	2,358	2,313
<i>Of which:</i>			
Subsidiaries	1,931	2,008	1,967
Equity-accounted entities	380	350	345

a Because of rounding, some totals may not agree exactly with the sum of their component parts.

b See Supplementary information on oil and natural gas on page 241 for further information.

Total hydrocarbon proved reserves at 31 December 2025, on an oil equivalent basis including equity-accounted entities, decreased by 1% compared with 31 December 2024 (0.2% decrease for subsidiaries and 3% decrease for equity-accounted entities). Natural gas increased by 8% (10% increase for subsidiaries and 3% decrease for equity-accounted entities).

There was a net increase from acquisitions and disposals of 27mmb/e within our US and North Sea subsidiaries.

Total hydrocarbon production for the group was 2% lower compared with 2024. The decrease comprised a 3.8% decrease (3.5% increase for liquids and 9.7% decrease for gas) for subsidiaries and an 8.6% increase (0.8% increase for liquids and 37.0% increase for gas) for equity-accounted entities.

Gas & low carbon energy

Gas & low carbon energy segment comprises our gas & low carbon businesses. Our gas business includes regions^a with upstream activities that predominantly produce natural gas, gas trading and our Archaea Energy business. Our low carbon business includes solar, offshore wind, hydrogen and CCS, and power trading, and until its divestment in December 2025 also included onshore wind. Power trading and marketing includes trading of both renewable and non-renewable power.

Financial and operating performance

	\$ million		
	2025	2024	2023
Sales and other operating revenues^b	40,333	32,628	50,297
Profit before interest and tax ^c	1,330	3,052	14,081
Inventory holding (gains) losses [★]	–	–	(1)
RC profit before interest and tax^c	1,330	3,052	14,080
Net (favourable) adverse impact of adjusting items ^{★cd}	4,037	3,751	(5,358)
Underlying RC profit before interest and tax[★]	5,367	6,803	8,722
Taxation on an underlying RC basis	(1,972)	(2,137)	(2,730)
Underlying RC profit before interest	3,395	4,666	5,992
Depreciation, depletion and amortization	4,969	4,835	5,680
Exploration write-offs	30	222	362
Adjusted EBITDA^{★e}	10,366	11,860	14,764
Capital expenditure[★]			
Gas ^f	2,946	4,246	3,517
Low carbon energy	464	1,596	1,256
	3,410	5,842	4,773

a The Azerbaijan-Georgia-Türkiye and Middle East and North Africa (MENA) regions have been further subdivided by asset to allow reporting in either gas & low carbon or oil production & operations as appropriate.

b Includes sales to other segments.

c 2024 has been restated for material items to reflect the move of our Archaea Energy business from the customers & products segment to the gas & low carbon energy segment.

d See page 337 for information on the cumulative impact of FVAEs.

e A reconciliation to RC profit before interest and tax is provided on page 388.

f 2024 and 2023 have been restated to reflect the move of our Archaea Energy business from the customers & products segment to the gas & low carbon energy segment.

Financial results

Sales and other operating revenues for 2025 are higher than 2024 mainly due to higher gas marketing and trading revenues partly offset by lower volumes.

RC profit before interest and tax for 2025 was \$1,330 million compared with \$3,052 million for 2024.

In 2025 items which bp has classified as adjusting had a net adverse impact of \$4,037 million including favourable fair value accounting effects (FVAEs)[★] of \$1,270 million, relative to management's view of performance, and net impairment charges of \$4,038 million, primarily relating to Lightsource bp and Archaea Energy. In addition, \$1,082 million impairment charge was recognized through equity-accounted earnings, primarily relating to Archaea Energy and offshore wind businesses.

After adjusting RC profit for the net impact of items which bp has classified as adjusting, underlying RC profit before interest and tax for

2025 was \$5,367 million, compared with \$6,803 million for 2024. The decrease reflects the divestments in Egypt and Trinidad in the fourth quarter of 2024, a lower gas marketing and trading result, and a higher depreciation, depletion and amortization charge, partly offset by lower exploration write-offs and the absence of the foreign exchange loss in Egypt in the first quarter of 2024.

In 2024 items which bp has classified as adjusting had a net adverse impact of \$3,751 million including adverse FVAEs of \$1,550 million, relative to management's view of performance, partly offset by a gain of \$1,006 million as a result of remeasurement of our previously existing interest and related assets on the step-acquisition of Lightsource bp (LSbp).

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

Operational update

Reported production for 2025 was 785mboe/d, 11.6% lower than the same period in 2024. Underlying production[★] for the full year was 2.1% lower, mainly due to base decline partly offset by major projects[★] start-ups.

Strategic progress

Gas

In April we safely loaded the first cargo of liquefied natural gas (LNG) for export from its GTA Phase 1 project offshore Mauritania and Senegal – see the case study on **page 29** for more information.

In May we made the final investment decision (FID) to invest in an infill wells programme at the offshore KG D6 gas block located offshore India.

In June together with our partners, we announced the FID for the new Shah Deniz Compression project, the next stage of development of the giant Shah Deniz gas field in the Azerbaijan sector of the Caspian Sea (bp operator 29.99%).

In Trinidad and Tobago we have made progress on our growth projects – see the case study, on **page 29** for more information.

In Egypt we have made progress on growing our portfolio:

- In February we began production from the second development phase of the Raven field.
- In March we announced the successful completion of drilling operations at the El Fayoum-5 gas discovery well in the North Alexandria Offshore Concession. This was the final well in our four-slot drilling campaign in the West Nile Delta (WND) and our second consecutive gas discovery following El King-2 well in the North King Mariout Offshore Concession.
- In September we signed a memorandum of understanding (MoU) to evaluate opportunities for a five-well programme in the Mediterranean Sea.
- In January 2026 we were awarded two offshore exploration concession: North-East El Alamein Offshore and West El Hammad Offshore, advancing our exploration portfolio and long-term growth ambitions.

In November the Greater Western Flank 4 project in the North West Shelf, offshore Australia (bp 16.67%, operator Woodside) reached FID. The project involves five subsea tieback wells with start-up targeted for 2028.

Biogas

In December Archaea Energy and Osaka Gas Trading and Export entered into an agreement for the procurement of approximately 26,000Nm³ of biomethane derived from landfill gas, produced at Archaea Energy's facilities operating in the US.

During the fourth quarter Archaea Energy started up two renewable natural gas (RNG)★ landfill plants (Middle Point and NW Tennessee) bringing the total to eight landfill plants started-up in 2025, with a total capacity of more than 6 million mmmBtu. Since 2023 Archaea Energy has added a total of 19 landfill plants and total capacity of 18 million mmmBtu per year.

LNG portfolio

On the supply side, bp has had strong growth in 2025 with the start-up commissioning and subsequent strong performance at the Greater Tortue Ahmeyim Phase 1 LNG export project in Mauritania and Senegal, in which bp is the operator. 19 cargoes were lifted by bp's ST&S organization – which has 100% offtake rights from the project.

Venture Global announced Commercial Operations Date for bp's long-term contract from Calcasieu Pass as 15 April, since which bp has lifted all the long-term cargoes made available to it under this agreement.

Portfolio growth also occurred in the sales portfolio with the start-up of the second power plant within the GNA JV's integrated regas terminal and power plant at Porto do Acu in Brazil's Rio de Janeiro state, owned by bp, Prumo and Siemens. The project is owned by bp, Prumo, Siemens and SPIC and bp has 100% supply rights to this facility.

A number of globally diverse long term sales to third parties were also signed in 2025, for example a long-term sale with A2A into Italy – increasing diversification to our portfolio; a long-term sale agreed with Torrent Power into India – expanding customer portfolio; a long term sale with Zhejiang Energy in China – building on our regional experience; and a three-year sale to Türkiye's Botas – deepening customer relationships in key demand centres.

See Oil and gas disclosures for the group on **page 340** for more information on oil and gas operations in the regions.

Low carbon energy

In 2025 we took action to focus our portfolio and further high-grade our projects – both through partnerships, to create capital light joint ventures – and through divestments, making strong progress on the programmes that are driving focus and reducing costs.

Hydrogen and carbon capture and storage

In 2025 we focused on delivering four projects sanctioned in 2024: Lingen green hydrogen★ project, Castellón green hydrogen project, the Northern Endurance Partnership (NEP), and Net Zero Teesside Power (NZT).

We continued to refine our hydrogen and carbon, capture and storage (CCS) portfolio. This included decisions not to progress H2Teesside and to end participation in projects in Oman, Australia and the US Gulf Coast.

Renewables and power

Offshore wind

In August 2025 we formed JERA Nex bp, a 50:50 offshore wind joint venture between JERA and bp. The new JV brings together each parties' complementary expertise for a balanced mix of operating assets and development projects.

Onshore renewables

In February 2025 we announced our intention to bring a strategic partner into our solar business, LSbp.

LSbp continues to be a leading global onshore renewable developer in markets with attractive sector returns.

In June Shafag (Jabrayil) Solar Ltd, bp's joint venture with SOCAR Green and the Azerbaijan Business Development Fund, announced FID on the 240MW AC Shafag solar plant in the Jabrayil district of Azerbaijan. In parallel, investors in the Sangachal terminal sanctioned the linked Sangachal terminal electrification project.

In December we completed the sale of our US onshore wind business, bp Wind Energy, to LS Power. The transaction included 10 operating assets across seven US states.



LNG milestone

We safely loaded the first cargo of LNG for export from our Greater Tortue Ahmeyim (GTA) Phase 1 project offshore Mauritania and Senegal. By the end of 2025 we delivered 19 cargoes for export. Phase 1 includes one of Africa's deepest subsea structures, with wells located in water depths of up to 2,850 metres (9,350 feet).

Image: Aerial image of GTA in the Atlantic Ocean



Progress in Trinidad and Tobago

We marked four major milestones in Trinidad and Tobago in 2025. In March we sanctioned the Ginger gas development and confirmed exploration success at Frangipani. The Cypre project delivered first gas in April. And Mento, a joint venture with EOG Resources, delivered first gas in May.

Image: Mento platform, Trinidad and Tobago

Gas & low carbon energy continued

Estimated net proved reserves and production^a (net of royalties)

	2025	2024	2023
Estimated net proved reserves (net of royalties)			
Crude oil ^b (mmb)	100	113	128
Natural gas liquids (mmb)	–	1	1
Total liquids ^{★c}	101	115	129
Natural gas ^e (bcf)	6,366	6,965	8,635
Total hydrocarbons ^{★c} (mmboe)	1,198	1,316	1,618
<i>Of which equity-accounted entities^d:</i>			
Liquids (mmb)	1	1	–
Natural gas (bcf)	162	196	–
Total hydrocarbons (mmboe)	29	35	–
Production (net of royalties)			
Crude oil ^b (mb/d)	75	88	96
Natural gas liquids (mb/d)	10	8	9
Total liquids (mb/d)	85	96	105
Natural gas (mmcf/d)	4,059	4,596	4,778
Total hydrocarbons (mboe/d)	785	888	929
<i>Of which equity-accounted entities^e:</i>			
Liquids (mb/d)	5	2	2
Natural gas (mmcf/d)	165	9	–
Total hydrocarbons (mboe/d)	34	4	2
Average realizations^{★f}			
Liquids (\$/bbl)	65.50	75.37	77.03
Natural gas (\$/mcf)	6.60	5.90	6.13
Total hydrocarbons (\$/boe)	41.34	38.57	40.21

a Because of rounding, some totals may not agree exactly with the sum of their component parts.

b Includes condensate and bitumen.

c Includes 1.7 million barrels of total liquids (1.7 million barrels at 31 December 2024 and 2.2 million barrels at 31 December 2023) and 231 billion cubic feet of natural gas (219 billion cubic feet at 31 December 2024 and 430 billion cubic feet at 31 December 2023) in respect of the 30% non-controlling interest in BP Trinidad and Tobago LLC.

d bp's share of reserves of equity-accounted entities in the gas & low carbon energy segment.

e bp's share of production of equity-accounted entities in the gas & low carbon energy segment.

f Realizations are based on sales by consolidated subsidiaries only – this excludes equity-accounted entities.



Operations in Oman

Block 61 in Oman (bp operated with a 40% equity stake) delivered strong operational performance in 2025. Technical enhancements enabled the site to reach its highest-ever gas flow rate.

We operate two drilling rigs, underpinning our development programme and acquiring key data to inform the reservoir's potential. A major turnaround was delivered eight days earlier than the scheduled time, supported by new robotic tools that reduced confined-space work and improved reliability and efficiency. Block 61 has the capacity to supply a third of Oman's domestic natural gas demand.

Image: Block 61, Oman

Oil production & operations

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

Financial and operating performance

	\$ million		
	2025	2024	2023
Sales and other operating revenues^b	24,527	25,637	24,904
Profit before interest and tax	8,560	10,780	11,191
Inventory holding (gains) losses★	(2)	9	–
RC profit before interest and tax	8,558	10,789	11,191
Net (favourable) adverse impact of adjusting items★	856	1,148	1,590
Underlying RC profit before interest and tax★	9,414	11,937	12,781
Taxation on an underlying RC basis	(4,409)	(5,165)	(5,998)
Underlying RC profit before interest	5,005	6,772	6,783
Depreciation, depletion and amortization	7,719	6,797	5,692
Exploration write-offs	313	544	384
Adjusted EBITDA★^c	17,446	19,278	18,857
Capital expenditure★	6,760	6,198	6,278

a The Azerbaijan-Georgia-Türkiye and Middle East and North Africa (MENA) regions have been further subdivided by asset to allow reporting in either gas & low carbon or oil production & operations as appropriate.

b Includes sales to other segments.

c A reconciliation to RC profit before interest and tax is provided on page 388.

Financial results

Sales and other operating revenues for 2025 were lower than 2024 mainly due to lower realizations partially offset by higher volumes.

RC profit before interest and tax for 2025 was \$8,558 million compared with \$10,789 million for 2024.

Adjusting items for 2025 had a net adverse impact of \$856 million principally relating to net impairment charges. See Financial statements – **Note 4** and **Note 16** for further information on net impairment charges.

After adjusting RC profit for the net adverse impact of adjusting items, underlying RC profit before interest and tax for 2025 was \$9,414 million, compared with \$11,937 million for 2024. The lower profit reflects lower liquids realizations, lower share of net income of equity-accounted entities, a higher depreciation, depletion and amortization charge, partly offset by higher volumes and lower exploration write-offs.

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

Operational update

Reported production for 2025 was 1,527mboe/d, 3.8% higher than the same period of 2024. Underlying production★ for the year was 2.6% higher compared with the same period of 2024 reflecting bpx energy performance.

Strategic progress

- In April bp announced a Miocene oil discovery at the Far South prospect in the US Gulf of America. bp drilled the exploration well in Green Canyon Block 584 approximately 120 miles off the coast of Louisiana in 4,092 feet of water. The well was drilled to a total depth of 23,830 feet. The Far South co-owners are bp (operator, 57.5%) and Chevron U.S.A. Inc. (42.5%).
- In June bp announced it had signed fully termed agreements with the State Oil Company of the Azerbaijan Republic (SOCAR) to acquire 35% participating interests and become the operator of two exploration and development blocks in the Caspian Sea – the Karabagh oil field and the Ashrafi-Dan Ulduzu-Aypara (ADUA) area. In December the development programme for the Karabagh field in the Caspian Sea, offshore Azerbaijan, was approved by the management committee (joint venture) and subsequently by State Oil Company of the Azerbaijan Republic (SOCAR) as the State representative. Seismic acquisition commenced thereafter.



Bumerangue discovery

In August 2025 bp reported a significant hydrocarbon discovery at the Bumerangue well in Brazil's Santos Basin. Bumerangue is one of 12 exploration discoveries we made in 2025, across several basins, including the Gulf of America and Namibia, through Azule Energy, our 50:50 independent joint venture with Eni.

Image: Valaris renaissance drill ship

Kirkuk contract goes live

In October 2025 bp's contract with Iraq's North Oil Company and North Gas Company became effective, after agreeing an initial baseline production rate of 328,000 barrels per day. Under the contract we will invest in the redevelopment of several giant oil fields in Kirkuk, in the north of Iraq.

Oil production & operations continued

- Azule Energy, bp's 50% joint venture, made the following progress during the year:
 - In April Rhino Resources (42.5%) along with co-venturers Azule Energy (42.5%), Namcor (10%), and Korres Investments (5%) announced the successful drilling of the Capricornus 1-X exploration well in block PEL-85 in the Orange Basin.
 - In July Azule Energy, operator of Block 15/06 in Angola, together with its partners, announced the successful start-up of the Agogo Integrated West Hub Project, which aims to fully develop the Agogo and Ndungu fields in Block 15/06.
 - In July Azule Energy, operator of Block 1/14, and its partners announced a gas discovery at the Gajajeira-01 exploration well, located offshore in the Lower Congo Basin, Angola.
 - In October Rhino Resources, operator of the Petroleum Exploration Licence 85 in the Orange Basin offshore Namibia, partnering with Azule Energy, announced a discovery at the Volans 1-X well.
- In August bp announced the start-up of the Argos Southwest Extension project in the Gulf of America. The project consists of three wells and a new drill centre tied back to the Argos platform and is expected to add 20,000 barrels of oil equivalent per day of gross peak annualized average production. bp is operator of Argos with 60.5% working interest, with co-owners Woodside Energy (23.9%) and Union Oil Company of California, an affiliate of Chevron U.S.A. Inc. (15.6%).
- In September bp announced it has reached a final investment decision (FID) on the Tiber-Guadalupe project in the Gulf of America. The 100% bp-owned Tiber-Guadalupe will be bp's seventh operated oil and gas production hub in the Gulf of America, featuring a new floating production platform with the capacity to produce 80,000 barrels of crude oil per day. The project includes six wells in the Tiber field and a two-well tieback from the Guadalupe field. Production is expected to start in 2030.
- In October bp agreed to sell its 32% non-operated working interest in the Culzean development in the central North Sea to Serica Energy. NEO Next exercised its option to acquire bp's stake on the same terms as those agreed by Serica. In December bp completed the divestment of the Culzean gas field in the UK North Sea to NEO Next.
- In December bp successfully delivered first oil from the Atlantis Drill Center 1 expansion project in the US Gulf of America, its seventh global upstream major project★ start-up of the year. The two-well subsea tieback to the existing Atlantis platform is expected to add 15,000boe/d gross peak annualized average production.

See Oil and gas disclosures for the group on **page 340** for more information on oil and gas operations in the regions.



Permian basin progress

Our US onshore oil and gas business, bpx energy, completed Crossroads, its fourth central delivery facility in the Permian Basin. We also completed the sale of our non-controlling interests in Permian and Eagle Ford midstream assets to Sixth Street for \$1.5 billion, while bpx energy remains the operator. The transaction supports our divestment programme targeting \$20 billion by 2027.

Image: bpx energy midstream facility, US

Estimated net proved reserves and production^a (net of royalties)

	2025	2024	2023
Estimated net proved reserves (net of royalties)			
Crude oil ^b (mmb)	2,908	3,112	3,193
Natural gas liquids (mmb)	439	472	426
Total liquids	3,346	3,584	3,618
Natural gas (bcf)	9,550	7,821	8,836
Total hydrocarbons★ (mmboe)	4,993	4,932	5,142
<i>Of which equity-accounted entities^c:</i>			
Liquids (mmb)	885	917	1,001
Natural gas (bcf)	2,410	2,467	2,527
Total hydrocarbons (mmboe)	1,301	1,342	1,437
Production (net of royalties)			
Crude oil ^b (mb/d)	993	953	910
Natural gas liquids (mb/d)	121	117	100
Total liquids (mb/d)	1,114	1,070	1,010
Natural gas (mmcf/d)	2,391	2,318	2,165
Total hydrocarbons (mboe/d)	1,527	1,470	1,383
<i>Of which equity-accounted entities^d:</i>			
Liquids (mb/d)	272	272	269
Natural gas (mmcf/d)	438	431	432
Total hydrocarbons (mboe/d)	347	346	343
Average realizations★^e			
Liquids (\$/bbl)	60.64	69.85	72.09
Natural gas (\$/mcf)	3.69	2.55	4.17
Total hydrocarbons (\$/boe)	49.45	53.96	58.34

a Because of rounding, some totals may not agree exactly with the sum of their component parts.

b Includes condensate and bitumen.

c bp's share of reserves of equity-accounted entities in the oil production & operations segment. During 2025 gas operations in Angola, Argentina, Bolivia, Mexico and Norway were conducted through equity-accounted entities.

d bp's share of production of equity-accounted entities in the oil production & operations segment.

e Realizations are based on sales by consolidated subsidiaries only – this excludes equity-accounted entities.



North Sea start-up

We safely started up production from the Murlach field in the UK North Sea in 2025. The two-well subsea tieback is expected to deliver peak net production of approximately 15,000 barrels of oil equivalent per day to the Eastern Trough Area Project (ETAP) hub, which has been operating for 27 years. Murlach was our sixth of seven major project start-ups in 2025.

Image: Murlach in the North Sea

Customers & products

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

Financial and operating performance

	\$ million		
	2025	2024	2023
Sales and other operating revenues^a	148,783	155,401	160,215
Profit (loss) before interest and tax ^b	2,747	(1,522)	2,993
Inventory holding (gains) losses [★]	1,353	479	1,237
Replacement cost (RC) profit (loss) before interest and tax^b	4,100	(1,043)	4,230
Net (favourable) adverse impact of adjusting items ^{★bc}	1,172	3,560	2,183
Underlying RC profit before interest and tax[★]	5,272	2,517	6,413
Of which:			
customers – convenience & mobility	3,764	2,584	2,644
<i>Castrol</i> – included in customers	971	831	730
products – refining & trading	1,508	(67)	3,769
Taxation on an underlying RC basis	(1,066)	(452)	(1,454)
Underlying RC profit before interest	4,206	2,065	4,959
Depreciation, depletion and amortization	4,145	3,957	3,548
Of which:			
customers – convenience & mobility	2,443	2,135	1,736
<i>Castrol</i> – included in customers	179	176	167
products – refining & trading	1,702	1,822	1,812
Adjusted EBITDA^{★d}	9,417	6,474	9,961
Of which:			
customers – convenience & mobility	6,207	4,719	4,380
<i>Castrol</i> – included in customers	1,150	1,007	897
products – refining & trading	3,210	1,755	5,581
Capital expenditure[★]	4,071	3,789	4,761
Of which:			
customers – convenience & mobility	2,480	2,059	3,135
<i>Castrol</i> – included in customers	161	227	262
products – refining & trading ^e	1,591	1,730	1,626

a Includes sales to other segments.

b 2024 has been restated for material items to reflect the move of our Archaea Energy business from the customers & products segment to the gas & low carbon energy segment.

c See page 337 for information on the cumulative impact of FVAEs.

d A reconciliation to RC profit before interest and tax by business is provided on page 350.

e 2024 and 2023 have been restated to reflect the move of our Archaea Energy business from the customers & products segment to the gas & low carbon energy segment.



X Convenience in Australia

bp acquired X Convenience, an Australian fuel and convenience retailer. The move significantly increases our presence as a national network in Australia, with almost 50 additional sites strategically located in the south and west of the country. X Convenience gives fleets and consumers access to our bp fuel, convenience, and loyalty programmes, while retaining the strong X Convenience brand.

Image: X Convenience site, Australia

Engaging customers with *earnify*

earnify – bp's unified digital loyalty and rewards platform in the US – grew rapidly in 2025, surpassing 8 million members as active membership doubled since launch. By simplifying rewards, enhancing digital engagement, and improving margin delivery, *earnify* is becoming a scalable ecosystem strengthening customer loyalty and fueling future retail growth.

Financial results

Sales and other operating revenues in 2025 were lower than in 2024, mainly due to lower product prices.

RC profit before interest and tax for 2025 was \$4,100 million, compared with a loss of \$1,043 million for 2024.

In 2025 items which bp has classified as adjusting had a net adverse impact of \$1,172 million (including adverse fair value accounting effects of \$207 million – relative to management's view of performance), of which \$913 million related to impairments of assets, primarily in the products business, offset by \$317 million of gains on disposal of assets and businesses. See Financial statements – **Note 4** for further information on disposals and impairments.

After adjusting RC profit for the net adverse impact of items, which bp classified as adjusting, underlying RC profit before interest and tax (underlying result) was \$5,272 million, compared with \$2,517 million for 2024. The result was significantly higher, reflecting stronger performance both in customers and products.

In 2024 items which bp has classified as adjusting had a net adverse impact of \$3,560 million (including adverse fair value accounting effects of \$81 million – relative to management's view of performance), of which \$1,143 million related to impairments of assets, which included an impairment of the Gelsenkirchen refinery and \$1,267 million related to loss on disposal, mainly related to the Türkiye ground fuels business disposal.

Customers – the convenience and mobility underlying result for 2025 was higher than 2024. The 2025 underlying result benefited from stronger integrated performance across fuels and midstream and lower underlying operating expenditure★ supported by structural cost reductions★, as well as a more than 15% increase in *Castrol's* earnings with year-on-year growth for 10 consecutive quarters.

Products – the underlying result for 2025 was significantly higher than 2024, primarily driven by higher realized margins, the absence of the first quarter 2024 plant-wide power outage at the Whiting refinery and higher commercial optimization. The results also benefited from lower underlying operating expenditure driven by structural cost reductions. The oil trading contribution was broadly flat compared with 2024.

Operational update

bp-operated refining availability for 2025 was 96.3%, higher compared with 94.3% in 2024, mainly due to the absence of the Whiting refinery power outage.

Strategic progress

In 2025 clear strategic focus and improved execution strengthened returns and materially increased our competitiveness. Early in 2025 we committed to growing our customers & products adjusted operating cash flows★ having delivered around 60%^a of our 2027 adjusted operating cash flow growth target in 2025.

Reshaping our integrated portfolio

Alongside the divestments we completed or announced, including *Castrol*, Netherlands mobility, convenience and *bp pulse* businesses, Austria retail, and Gelsenkirchen refinery, we continued to focus on markets where our integrated businesses provide the greatest advantage. This included further high grading of our retail network, exiting around 5% of our company owned sites as we progress towards our target of around 10% by 2027.

Focusing EV charging in priority markets

bp pulse continued to make progress with EV charging investment now focusing primarily in four core markets Germany, UK, China and the US, with joint ventures in the Iberian region and India. *Aral pulse* was named Germany's best charge point operator for the third consecutive year and in the UK *bp pulse* advanced its network reset programme and extended its long-standing partnership with Transport for London through 2029.

Progressing strategic choices in biofuels

Alongside the commercial integration of bp bioenergy, in 2025 we continued to scale biofuels but allocated capital only where projects are economically robust and aligned with demand progression.

We took the decision to stop further work on development of a standalone biofuels production (HEFA) facility at our Rotterdam refinery in the Netherlands.

In action to improve performance

Customers delivered its highest underlying RC profit before interest and tax since 2019 with all businesses growing year-on-year.

Customers' strong 2025 performance was underpinned by a reduction in structural costs. These reductions reflect sustained execution across procurement, supply chain efficiencies, organizational simplification and operating model changes.

In 2025 air bp delivered sustainable aviation fuel (SAF) in over 60 locations in 22 countries driven by the requirement of both European SAF mandates and customer voluntary SAF demand.

Realizing value from recent customers acquisitions

We continued to integrate and optimize our recent acquisitions:

- We have completed the commercial integration of bp bioenergy, a leading sugarcane bioethanol producer – creating a strong platform to deliver synergies and improve value realization with trading.
- In our TravelCenters of America business, we are progressing a targeted business improvement plan, focused on strengthening safety and operational performance, sharpening commercial discipline, and improving customer delivery.

Strengthening refining availability and competitiveness

In 2025 refining delivered the best availability on record at 96.3%, driven by strengthened maintenance programmes, enhanced digital monitoring and improved outage recovery. Higher availability has supported stronger and more consistent margin capture across the portfolio.

In refining structural cost reductions were delivered through optimizing maintenance activities and driving efficiencies across the supply chain.

Taken together, these improvements resulted in delivery of around 80% of our 2027 \$3/bbl cash breakeven reduction ambition^b.

Partnering in biofuels

bp and Corteva, one of the world's leading agriscience companies, launched Etlas – a new biofuels 50:50 joint venture. Etlas works with farmers to grow canola, mustard and sunflower crops for use in sustainable aviation fuel and renewable diesel. Etlas aims to grow a million tonnes of feedstock per year by the mid-2030s, enough for around 800,000 tonnes of biofuel.

a Taking growth against 2024 normalized for 2025 environmental conditions (refining margins and foreign exchange).

b 2027 \$3/bbl cash breakeven reduction ambition is defined as refining margin per barrel required to attain pre-tax breakeven operating cash flow excluding working capital movements, normalized for turnaround activity levels, foreign exchange and energy prices; like-for-like portfolio.

Other businesses & corporate

Other businesses & corporate comprises technology, bp ventures, shipping, our corporate activities & functions and any residual costs of the Gulf of America oil spill.

Financial and operating performance

	\$ million		
	2025	2024	2023
Sales and other operating revenues^a	2,232	2,290	2,657
Profit (loss) before interest and tax	(40)	(988)	(903)
Inventory holding (gains) losses [★]	–	–	–
Replacement cost (RC) profit (loss) before interest and tax	(40)	(988)	(903)
Net (favourable) adverse impact of adjusting items ^{★p}	(608)	380	37
Underlying RC profit (loss) before interest and tax[★]	(648)	(608)	(866)
Taxation on an underlying RC basis	399	292	322
Underlying RC profit (loss) before interest	(249)	(316)	(544)
Depreciation, depletion and amortization	989	1,033	1,008
Capital expenditure[★]	292	408	441

a Includes sales to other segments.

b See page 337 for information on the cumulative impact of FVAEs.

Financial results

RC loss before interest and tax for 2025 was \$40 million, compared with \$988 million for 2024.

Adjusting items for 2025 had a net favourable impact of \$608 million. Adjusting items include impacts of fair value accounting effects, which had a favourable impact of \$1,157 million.

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

After adjusting RC loss for the adjusting items, underlying RC loss before interest and tax for 2025 was \$648 million, compared with a loss of \$608 million for 2024.

Sustainability

Sustainability at bp

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

Reporting on sustainability

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

- Performance on our net zero aims, see [page 37](#).
- Climate-related financial disclosures, see [pages 41-54](#).
- Our approach – safety, ethics and compliance, our people, biodiversity, water, and ‘Who we are’ (our beliefs), see [pages 55-59](#).

We provide an update on our actions on our aims, and our wider progress in relation to embedding sustainability, in our latest Sustainability Report bp.com/sustainabilityreport.

Our sustainability aims

We have five sustainability aims, focused on the areas we believe are most relevant to the long-term success of our business.

Net zero operations

Our aim is to reach net zero★ by 2050 or sooner for Scope 1 and 2 emissions within bp’s operational control^a, including by maintaining ‘near-zero’ methane intensity★ across our operated producing assets, enabled by supportive government policies. [See page 38](#).

Net zero sales

Our aim is to reduce to net zero the average lifecycle carbon intensity of the energy products★ we sell by 2050 or sooner, enabled by supportive government policies and the decarbonization of energy demand. [See page 38](#).

People

Our aim is to support our employees and local communities through the energy transition. [See page 59](#).

Biodiversity

Our aim is to support biodiversity where we operate^b. [See page 59](#).

Water

Our aim is to reduce our net freshwater use in stressed catchments where we operate. [See page 59](#).

Net zero

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

Both our net zero aims make explicit what is needed to enable their delivery – and delivery of the associated interim targets or aims.

Our future business and investment decisions, which will affect the outcomes for these aims, will be intended to facilitate delivery of our strategy and investor proposition, applying our balanced investment criteria, one of which relates to sustainability.

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

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

Net zero aims 2025 performance

Aims	Measure/coverage	2019	2025 performance	2025 targets	2030 aims	Aims for 2050 or sooner
Net zero operations★	Scope 1+2	Baseline 54.5MtCO ₂ e	37% ^{cd}	20% ^c	45-50% ^c	Net zero★
	Methane intensity★	0.14%	0.04% ^e	0.20%		Near zero
Net zero sales★	Average lifecycle carbon intensity of sold energy products★	Baseline 84gCO ₂ e/MJ	7% ^f	5% ^f	8-10% ^f	Net zero

a On a CO₂e basis.

b At our new in-scope bp-operated projects and major operating sites.

c Reduction in absolute emissions against 2019 baseline.

d In 2025 bp made an adjustment to the operational control boundary for Scope 1 and 2 GHG emissions. This means certain operations, assets or sources which were previously included, such as power generation on contractor-operated drilling rigs, are now excluded. This change has a less than 1% impact on reported operational emissions. For more information on the scope of bp’s operational control boundary see bp.com/basisofreporting.

e Since 2024 reported absolute methane emissions from major operated oil and gas processing sites are based on our new measurement approach. Prior to 2024 these emissions were calculated using a different methodology and therefore the methane intensity reported in those years and calculated using that data does not directly correlate to progress towards delivering the 2025 target.

f Reduction in the average lifecycle carbon intensity of sold energy products against the 2019 baseline. The percentage change is calculated from the source data instead of the rounded carbon intensity number.

Sustainability continued

Net zero operations ^{TCFD}

Our aim is to reach net zero by 2050 or sooner for Scope 1 and Scope 2 emissions within bp's operational control including by maintaining 'near-zero' methane intensity★ across our operated producing assets, enabled by supportive government policies.

We achieved a reduction of 37% against a targeted 20% reduction in our operational emissions by end-2025 and are aiming for a 45-50% reduction by the end of 2030, both against our 2019 baseline.

New projects coming online add to the challenge of reducing our operational emissions. Continued investment in abatement and further portfolio optimization will be needed to meet our 2030 aim.

We also achieved our 2025 target for methane intensity of 0.20%. Our methane intensity for 2025 was 0.04%, compared with 0.07% in 2024.

Scope 1 and 2 emissions

Our combined Scope 1 and 2 emissions were 34.3MtCO₂e^{ab} in 2025 – an increase from 33.6MtCO₂e in 2024 due to growth in our portfolio and seven major project start-ups. The total decrease in emissions to 2025 includes 18MtCO₂e attributable to divestments and 5.7MtCO₂e in emissions reductions activity.

In 2025 our Scope 1 (direct) emissions were 33.7MtCO₂e – an overall increase from 32.8MtCO₂e in 2024. Of these Scope 1 emissions, 32.8MtCO₂e were from carbon dioxide and 0.9MtCO₂e from methane^c.

In 2025 our Scope 2 (indirect) emissions^d decreased by 0.1MtCO₂e, to 0.7MtCO₂e, compared with 2024. The enhanced use of lower carbon power agreements contributed to this decrease.

We report our Scope 1 and 2 emissions on an operational control and equity share basis in the *bp ESG Datasheet 2025*.

bp.com/ESGdata

Scope 3 emissions ^{TCFD}

In 2025 our Scope 3 category 11 emissions were 471MtCO₂e^e. These are the end-use emissions associated with sales of energy products, as determined in bp's calculation of the average carbon intensity of our sold energy products★.

Methane

Since 2024 absolute methane emissions have been reported based on our new methane measurement approach across our major operated oil and gas processing sites. Using this approach, our methane intensity was 0.04% in 2025 (2024 0.07%). Methane emissions from our upstream★ operations used to calculate this methane intensity were 25kt in 2025 (46kt in 2024^g).

Marketed gas volumes were broadly flat at 3,637bcf in 2025.

The lower emissions and intensity in 2025 were primarily from improved management of abnormal plant conditions in our Tangguh operations, Indonesia, reported in 2024.

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

Net zero sales ^{TCFD}

Our aim is to reduce to net zero the average lifecycle carbon intensity of the energy products★ we sell by 2050 or sooner, enabled by supportive government policies and the decarbonization of energy demand.

We have achieved our target to reduce the intensity of our sold energy products by 5% from the 2019 baseline by the end of 2025. We are aiming for an 8-10% reduction by the end of 2030 compared to our 2019 baseline.

Average carbon intensity of sold energy products (gCO₂e/MJ)^f

	2025	2024	2023	2022	2021	2019
Average carbon intensity of sold energy products	79	79	80	81	81	84
Oil/refined products	91	91	91	92	92	95
Gas/NGLs	67	67	67	67	67	68
Bioproducts ^g	38	41	44	43	44	47
Power/heat ^h	51	50	56	29	27	28

In 2025 the average carbon intensity of our sold energy products was 79gCO₂e/MJ. This represents a 7% reduction from our 2019 baseline.

The incremental improvement in performance from 2024 was primarily driven by a growth in retail power sales across our utility businesses – bp Energy Retail and GETEC, our trading business, and our renewable businesses – Lightsource bp and JERA Nex bp. It was supported by the high grading of our retail portfolio and improved identification of end-user sales volumes within the refined product category.

Details of our net zero sales methodology are in the *bp Basis of Reporting 2025*.

bp.com/basisofreporting

As announced in February 2025, we plan to invest selectively and with discipline in transition businesses★, see **page 21**.

Our disciplined approach to capital investment means that individual investments will be made when we consider there to be a clear and compelling business case, in line with our balanced set of investment criteria, see **page 22**.

Advocacy related to net zero

We regularly advocate for or comment on the development of policy that is relevant to bp and our sustainability aims. In 2025 our advocacy activities focused on various aspects including bioenergy, hydrogen and carbon pricing. We publish examples of our activity online at bp.com/advocacyactivities.

a In 2025 bp made an adjustment to the operational control boundary for Scope 1 and 2 GHG emissions. This means certain operations, assets or sources which were previously included, such as power generation on contractor-operated drilling rigs, are now excluded. This change has a less than 1% impact on reported operational emissions. For more information on the scope of bp's operational control boundary see bp.com/basisofreporting.

b Due to rounding some totals may not agree exactly to the sum of their component parts.

c Since 2024 reported absolute methane emissions from upstream major operated oil and gas processing sites are based on our new measurement approach. Prior to 2024 these emissions were calculated using a different methodology and therefore the methane intensity reported in those years and calculated using that data does not directly correlate to progress towards delivering the 2025 target. Prior year data is provided for information purposes, and we do not seek to directly compare prior years.

d Scope 2 emissions on a market basis.

e This Scope 3 category 11 metric follows a different methodology and boundary to the Scope 3 category 11 emissions from the carbon in bp's upstream oil and gas production (known previously as bp's aim 2 (net zero production), which was retired in February 2025), so is not directly comparable to prior years of data for that retired aim and does not correlate to progress towards any retired targets associated with it. Although these emissions are a subset of the lifecycle emissions under bp's net zero sales aim, there is no target or aim associated with them. See bp.com/basisofreporting for more detail on methodology.

f The aggregate lifecycle emissions and energy values used in the calculation of the average lifecycle carbon intensity of sold energy products★ are provided in the *bp ESG Datasheet 2025*.

g Includes biofuels and biogas.

h Covers all power, including renewable and non-renewable.

TCFD Information that supports TCFD Recommendations and Recommended Disclosures in relation to governance (see **pages 41-44**)

Streamlined energy and carbon reporting (SECR) information

Further information on our greenhouse gas (GHG) emissions, energy consumption and energy efficiency is set out here and on the following page. It includes disclosures in respect of the SECR requirements. Further breakdown of our GHG and energy data is available in the *bp ESG Datasheet 2025* at bp.com/ESG.

Operational control ^{ab}	Unit	2025	2024	2023
Scope 1 (direct) emissions^c	MtCO ₂ e	33.7	32.8	31.1
UK and offshore	MtCO ₂ e	1.0	1.0	1.0
Global (excluding UK and offshore)	MtCO ₂ e	32.6	31.8	30.1
Scope 2 (indirect) emissions – location-based^c	MtCO ₂ e	1.7	2.4	2.0
UK and offshore	MtCO ₂ e	0.02	0.02	0.02
Global (excluding UK and offshore)	MtCO ₂ e	1.7	2.4	1.9
Scope 2 (indirect) emissions – market-based^c	MtCO ₂ e	0.7	0.8	1.0
UK and offshore ^d	MtCO ₂ e	0.03	0.02	0.0
Global (excluding UK and offshore)	MtCO ₂ e	0.7	0.8	1.0
Energy consumption^e	GWh	134,448	129,872	124,770
UK and offshore	GWh	4,718	4,526	4,688
Global (excluding UK and offshore)	GWh	129,730	125,347	120,082
Ratio of Scope 1 (direct) and Scope 2 (indirect) emissions to gross production^f	teCO ₂ e/te	0.16	0.16	0.16
UK and offshore	teCO ₂ e/te	0.12	0.13	0.13
Global (excluding UK and offshore)	teCO ₂ e/te	0.16	0.16	0.16

a Operational control data comprises 100% of emissions from activities operated by bp / where bp or its subsidiaries has full authority to introduce and implement its OMS★. Read more at bp.com/basisofreporting.

b Due to rounding, some totals may not agree exactly to the sum of their component parts.

c In 2025 bp made an adjustment to the operational control boundary for Scope 1 and 2 GHG emissions. This means certain operations, assets or sources which were previously included such as power generation on contractor-operated drilling rigs are now excluded. This change has a less than 1% impact on reported operational emissions. For more information on the scope of bp's operational control boundary see bp.com/basisofreporting.

d REGOs and other instruments reflected in our data had not been retired at the time of publication but are expected to be retired subject to business decisions at the end of the compliance period.

e Energy content of flared or vented gas is excluded from energy consumption reported as although it reflects loss of energy resources, it does not reflect energy use required for production or manufacturing of products.

f Gross production comprises upstream production, refining throughput and petrochemicals produced.

Streamlined energy and carbon reporting (SECR) information

Energy efficiency measures

Operational efficiency

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

During 2025 we completed energy efficiency reviews across four production regions: the North Sea, Oman, Egypt and Asia Pacific. Our refining business also completed the energy efficiency programme launch in 2024. Additional reviews were carried out at the Cherry Point (US), Castellón (Spain) and Gelsenkirchen (Germany) refineries. The opportunities identified through these reviews will be progressed through our established business processes and plans that support our net zero ambition.

In 2025 a total of 14 new emissions reduction projects and actions contributed to reductions of 0.27MtCO₂e, including low carbon energy consumption projects. This is in addition to the 27 emissions reduction projects delivered in 2024, which achieved a reduction of 0.42MtCO₂e. These projects are tracked based on GHG reductions and include energy efficiency improvements.

Archaea Energy purchased renewable energy certificates (RECs) equivalent to 125ktCO₂e in emissions savings on a market basis.

A further 144ktCO₂e of emissions reductions were achieved through energy efficiency improvements in production processes and flaring optimization projects during 2025. These included:

- Three projects at our Tangguh facility delivering 45ktCO₂e in reductions, including flare purge rate rationalization and boil-off gas flaring minimalization.
- A power synchronization project between two platforms in Trinidad and Tobago which reduced spinning reserve through an electrical tie-over enabling load sharing, delivering 14ktCO₂e reductions.
- Ongoing programmes at bpx energy including replacement of natural-gas driven pneumatic controllers, installation of solar air compressors, electrification measures and reductions in fugitive emissions, delivering 80ktCO₂e.

In addition, our Castellón, Rotterdam (Netherlands), and Whiting (US) refineries have implemented further actions to drive energy efficiency and reduce carbon emissions, including steam trap repair and replacement programmes. At Cherry Point the restoration of cooling water infrastructure improved reliability in meeting refinery needs and enhanced the efficiency of compressor operations.

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

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

Reporting methodology

Our approach to reporting GHG emissions broadly follows the GHG Protocol Corporate Standard and the Ipeca Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions 2nd Edition, May 2011. We calculate GHG emissions based on fuel consumption and fuel properties for major sources, such as flares.

We report CO₂ and methane. We do not include nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride as they are not material to our operations.

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

Ratio of Scope 1 and Scope 2 emissions to gross production

bp reports a ratio of Scope 1 and Scope 2 emissions to gross production, see the SECR table on [page 39](#). This covers all our Scope 1 and Scope 2 emissions on an operational control boundary basis and uses gross operated sales from our operated oil and gas facilities, refinery throughput and petrochemicals produced. The denominator uses output from production businesses, refineries and petrochemical facilities, which account for 96% of total operated emissions. The intensity ratio has remained the same as 2024.

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

Climate-related financial disclosures^a

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

In 2025 we continued to engage with the World Business Council for Sustainable Development (WBCSD) in relation to its ongoing 'Climate Scenario Analysis Reference Approach for Companies in the Energy System'. Read about how we have used the WBCSD Scenario Catalogue^b as the start point for consolidating our Transition Scenario Catalogue★, which was used to inform our own scenario analysis, on [page 52](#).

TCFD statement

We report in line with the FCA Listing Rule UKLR 6.6.6R(8), which requires us to report on a 'comply or explain' basis against the TCFD Recommendations and Recommended Disclosures in respect of the financial year ended 31 December 2025^c.

We consider our climate-related financial disclosures to be consistent with all of the TCFD Recommendations and Recommended Disclosures and that they are therefore compliant with UKLR 6.6.6R(8). We have set out our disclosures against each TCFD Recommended Disclosure and in doing so have covered both the Recommended Disclosure and the related Recommendation^d. We have made disclosures that take into consideration references made to the materiality of information in the Recommendations related to Strategy and Metrics and Targets. In determining materiality for these purposes, we considered whether particular information may have the potential to influence the economic decisions of our shareholders. We have also, where appropriate, considered the TCFD guidance and other supporting materials referred to in the UK Listing Rules^e. In the Strategy (b) section on [page 46](#), we describe elements of our plans for the transition to a lower carbon economy as we execute our strategy.

As explained on [page 10](#), we explain why we consider our strategy to be consistent with the goals of the Paris Agreement.

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

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

Governance

TCFD Recommendation:

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

Recommended Disclosure:

- Describe the board's oversight of climate-related risks and opportunities.
- Describe management's role in assessing and managing climate-related risks and opportunities.

The board's role

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

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

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

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

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

The board and its committees have oversight of climate-related issues^f, which include climate-related risks and opportunities. Related board and committee activities are set out within the board activities section and committee reports respectively, which can be found on the pages detailed in the table on [page 42](#).

Climate-related risks and opportunities were discussed at each relevant board meeting covering strategy in 2025, and the committees considered climate-related issues where appropriate to do so in fulfilling their responsibilities. Verbal reports from each of the committee chairs are given at board meetings to keep the board apprised of the relevant matters discussed including, where applicable, climate-related risks and opportunities.

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

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

^a This section provides disclosures pursuant to the FCA Listing Rule UKLR 6.6.6R(8) and in line with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (The UK CFD Regulations). In the main, we consider our TCFD disclosures achieve UK CFD compliance. Where additional information has been provided beyond our TCFD disclosures to achieve compliance with the CFD Regulations, this has been specifically called out.

^b Our 2025 analysis used a suite of external scenarios from various providers – this took as its start point the latest WBCSD (World Business Council for Sustainable Development) Scenario Catalogue (V3, published in 2024), which we then updated for relevant metrics where underlying source data providers (IEA, NGFS, UN PRI) have published more recent (or withdrawn older) transition scenarios. We have referred to this as our Transition Scenario Catalogue★ – for more detail see page 52.

^c In considering the consistency of our disclosures with the TCFD Recommendations and Recommended Disclosures we have had regard to, among other things, the documents referred to in UKLR 6.6.8G and 6.6.9G, as applicable to the financial year 2025.

^d In preparing the disclosures we have referred to the TCFD implementation guidance 'Annex: Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (October 2021)', available from fsb-tcfd.org/publications.

^e UKLR 6.6.8G and UKLR 6.6.9G.

^f We interpret the term 'climate-related issues' to relate primarily to those climate-related risks and opportunities for bp that are relevant to the delivery of long-term shareholder value in the context of the energy transition.

Climate-related financial disclosures continued

Learning and development

The board continues to develop its knowledge and expertise on climate-related and sustainability matters. For example, in 2025, the board took part in the following:

Renewables and power update	Included recent progress on, and plans for, offshore wind. Update provided to assist the board in remaining abreast of key energy transition risks and opportunities.
Hydrogen and carbon capture and storage transition growth ★ engine update	Update provided on bp-led projects including the Northern Endurance Partnership and Net Zero Teesside Power. Assisted the board in remaining abreast of key energy transition risks and opportunities.
Energy and economic update	The briefing was given by our chief economist on developments shaping the key political and societal trends currently affecting the energy transition, in advance of publication of the <i>bp Energy Outlook 2025</i> in September 2025. Briefing assisted the board in remaining abreast of key developments.

The board is due to receive further updates on bp's strategic process and sustainability frame in 2026.

Climate and sustainability expertise

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

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

For more general director skills information, see [page 73](#).

- **Dame Amanda Blanc** is the Group CEO of Aviva plc, and has held several executive roles across the industry. She was Co-Chair of the UK Transition Plan Taskforce.
- **Dave Hager** has over 40 years' experience in the oil and gas industry. During his time as CEO of Devon Energy Corporation, he was instrumental in developing its approach to climate and sustainability. He also served on the American Petroleum Institute Executive Committee as the organization set out its positions on climate and sustainability. He has served on the bp safety and sustainability committee since December 2025.
- **Simon Henry** has significant climate and sustainability experience from senior roles across the energy and financial sectors. As CFO of Shell, he oversaw group strategy through the period of the 2015 Paris Agreement. He contributed to Lloyds Bank's first climate strategy, supported the development of PetroChina's Sustainability Report, and, while a Non-Executive director at Rio Tinto, helped shape its emissions reduction plans. He has served on the sustainability committees at Rio Tinto and Harbour Energy, and was a contributing member of Chapter Zero and the Energy Transition Commission.
- **Albert Manifold** has a strong track record of strategic leadership and operational delivery. As CEO of CRH plc, the global building materials company, he embedded decarbonization, circularity and water efficiency into the company's strategy and, under his leadership, CRH made recognized progress in climate performance.
- **Melody Meyer** has deep-rooted operational experience in the energy sector which equips her to advise on climate-related risks and opportunities. She has chaired bp's safety and sustainability committee since November 2019, which oversees the implementation of bp's sustainability frame and net zero ambition.
- **Hina Nagarajan** has over 30 years' experience in senior roles within the customer-focused FMCG sector. Through her executive roles at Diageo, she is responsible for assessing and mitigating risks related to climate and sustainability, as well as delivery of ESG targets for her region and Diageo plc. During her time as CEO of United Spirits Limited (Diageo plc's listed Indian subsidiary), she oversaw the implementation of Diageo India's 10-year ESG action plan, and its Society 2030 mission, in addition to a number of other sustainability initiatives.
- **Satish Pai** has extensive experience in the resource and energy industries. He is managing director of metals company Hindalco Industries Limited, and leads the company's Sustainability Board in overseeing sustainability initiatives – such as sustainable mining practices, energy conservation and recycling. He has served on the bp safety and sustainability committee since March 2023.
- **Johannes Teysen** brings CEO experience from his time at E.ON, where under his leadership, it split its hydrocarbons and non-hydrocarbons businesses – giving him significant experience of considering climate-related risks and opportunities. He has sat on bp's safety and sustainability committee since 2021. He is a director of Alpiq Holding AG, a Swiss energy services provider and electricity producer in Europe.

Board and committees' consideration of climate-related issues

For examples from the year ended 31 December 2025, see the text indicated with **TCFD** on the pages set out below.

→ **The board: pages 73-75**

Safety and sustainability committee: pages 82-83

Audit committee: pages 84-88

Remuneration committee: pages 91-117

The role of management

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

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

The assessment and management of climate-related risks and opportunities are embedded across bp at various levels and delegated authority flows down from the board through the CEO. See [page 60](#) for more information on risk governance and oversight.

2025 activity

Where considered appropriate, climate-related risks and opportunities were discussed at bp leadership team meetings in 2025 as part of regular business performance updates prepared for these meetings.

The bp leadership team provides oversight of risk, including climate-related risk, through the various committees described on [page 60](#). They are informed about and monitor emerging risks over the short, medium and longer term via emerging risk papers produced by our SVP treasury. Members of the leadership team receive information on the longer-term risks and opportunities associated with the energy transition via updates produced by our chief economist. These papers are shared with the board.

SVP level and beyond

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

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

Resource commitment meeting	Forum for approval of investments related to existing and new lines of business above \$250 million or \$25 million for acquisitions, or which exceed the relevant EVP financial authority, and any project considered strategically important such as a new market entry, see page 21 .
Group operational risk committee	Provides oversight of safety and operational risk management performance for the group, where appropriate. Climate-related factors may affect certain sources of safety and operational risk, such as severe weather events.
Group operational risk committee (sustainability)	<p>In October 2025 our executive-level group sustainability committee (GSC), was replaced by the group operational risk committee (sustainability) (GORC(S)). This executive-level committee, chaired by the chief financial officer, provides oversight, challenge and support in the implementation of our sustainability frame and aims, and oversight of the management of potentially significant sustainability risks and opportunities, including those related to climate change.</p> <p>Between the GSC and GORC(S) there were four scheduled meetings in 2025 with ad hoc discussions held as needed. In both committees, members considered bp's sustainability aims, progress against targets and bp's position on certain strategic sustainability issues.</p> <p>The outputs from the committee are shared with the board and its committees, including the safety and sustainability committee, as appropriate.</p>
Group financial risk committee	Monitors the effectiveness of bp's financial reporting, systems of internal control and financial risk management, namely material group financial risks. Where appropriate, it considers the planned approach to assurance and verification of non-financial reporting ahead of updating the audit committee.

Acquired businesses

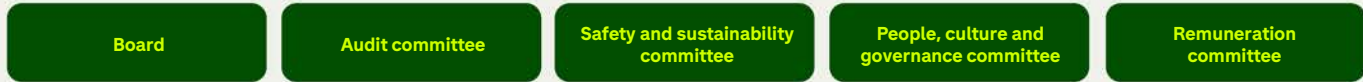
Integration plans are developed to transition acquired businesses into bp's system of internal control, over an appropriate timeframe.

Climate-related financial disclosures continued

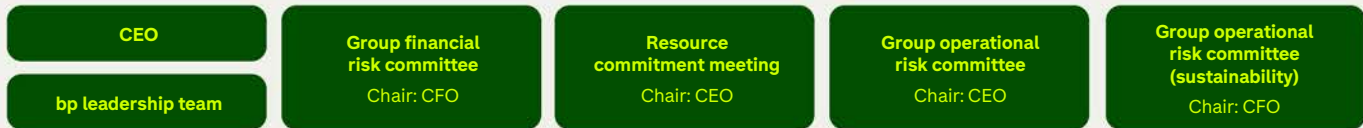
Climate governance: management of climate-related matters

As at 1 January 2026

bp board level



EVP level



SVP level



Cross-bp forums and meetings

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

Risk Management

TCFD Recommendation:

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

Recommended Disclosure:

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

bp's risk management system and policy, described on [page 60](#), are designed to address all types of risks including our principal risks and uncertainties, described on [page 62](#).

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

The process for identifying risks is outlined on [page 61](#) and guidance to support consistency has been made available to our businesses to provide them with a climate-related taxonomy, which they are able to use as they see fit in their identification and assessment of risk.

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

The impact criteria outlined on [page 63](#) include health and safety, environmental, financial and non-financial (such as regulatory impact) criteria and are used for assessing risks, including climate-related risks. This provides a consistent basis for assessment across bp.

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

Identification, assessment and management of climate-related opportunities^a

As set out in our TCFD Strategy a and b disclosures on [page 46](#), we have identified potentially material climate-related opportunities and our strategy has been informed by these. We identify climate-related opportunities by considering a range of information sources, including the bp Energy Outlook, which helps to inform our thinking about how the energy system might evolve. Business opportunities continue to be originated across bp, and taken forward through bp's investment governance framework. For example, our gas & low carbon energy and customers & products businesses support the delivery of low carbon and transition opportunities through organic and inorganic growth.

Our investment governance framework (see [page 21](#)) provides the mechanism by which alignment of these opportunities with our strategy is assessed and decisions on which to progress are made.

a Information added to satisfy the UK CFD Regulations.

Recommended Disclosure:

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

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

Risk Management process

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

As part of our annual process the bp leadership team and board review the group's principal risks and uncertainties. Climate change and the transition to a lower carbon economy continues to be identified as a principal risk, see [page 64](#). It covers various aspects of how risks associated with the energy transition could manifest. Physical risks such as extreme weather, which may be affected or intensified by climate change, are covered in our principal risks related to safety and operations.

Physical risk

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

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

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

Building on a modelling exercise conducted in 2022, a screening approach to support identification of potential severe weather and physical climate-related hazards at operational sites across bp has been rolled out since 2024 as part of our operational management system. Since 2024 screening has been conducted for a number of sites each year.

Where potential hazards are identified, and as appropriate, this enables further work to be carried out to assess potential risks and implement appropriate management measures.

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

Additionally, at a group level we recognize risk associated with the potential for increased water stress due to climate change and other factors and the impact this could have on our operations and in the catchments where we operate. In order to understand the water-related challenges that we face, we review our water impacts, risks and opportunities at our major operating sites. These reviews consider the quantity and quality of water used as well as any regulatory requirements. We anticipate adopting site-level activities as part of our aim to reduce our net freshwater use in stressed catchments where we operate. We anticipate adopting a focused freshwater management approach, addressing water-related business risk where it is greatest, and we anticipate that our freshwater withdrawal in stressed catchments will be covered by freshwater management plans by 2028. For more about water, see [page 59](#).

Transition risk

The board appraises bp's strategy and monitors bp's management and operations to obtain assurance over the delivery of its strategy. This approach enables the effective management of climate-related transition risks and opportunities facing bp associated with the energy transition. For the purposes of our TCFD disclosures, we group transition risks identified by our businesses and functions into the three broad material climate-related transition risks to bp, see [page 52](#). However, we continue to assess and manage the component parts of those broad transition risks, including:

Policy and legal risks

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

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

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

Market risks

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

Reputational risks

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

Our communications and external affairs teams help to manage corporate reputation through identification and monitoring of key issues and both proactive and reactive engagement with relevant stakeholder groups. The teams also advocate for policies that support our strategy and sustainability aims, see [page 38](#).

Technology risks

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

Climate-related financial disclosures continued

Strategy

TCFD Recommendation:

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

Recommended Disclosure:

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

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

- **Short term** (to 2026): aligning with our near-term business and financial planning timeframe.
- **Medium term** (to 2030): aligning with our group business outlook timeframe, and enabling us to think beyond our short-term targets and adjust course if appropriate.
- **Long term** (to 2050): using scenarios to help explore the wide range of uncertainties surrounding the energy transition over the next 25 years. For more detail on our approach, see [page 7](#).

TCFD categorizes climate-related transition risk and opportunity as follows: policy and legal, market, reputation and technology. It also refers to climate-related acute and chronic physical risks and opportunities. Risks in each of these categories have been identified using a risk management process that our businesses and functions are required to follow. For more about how the relative significance of identified risks is evaluated, see Risk Management on [page 44](#).

The risks and opportunities identified have been considered in relation to bp's reset strategy, as announced in February 2025.

Climate-related transition risks and opportunities

At a group level, we have identified three broad, material climate-related transition risks, outlined on [page 52](#), underpinned by underlying risks that are assessed and managed through the risk process outlined.

These transition risks may cut across our short-, medium- and long-term time horizons; however, we indicate below wherever there is a particular time horizon in which the risk has been considered. The transition risks are also global in nature, so we do not discuss specific geographies here, but the underlying risks refer to specific geographies where appropriate^a. We also see significant potential for upside – or opportunity – associated with some of these risks. These are discussed under each risk on [page 52](#) and in relation to Recommended Disclosure (b) we also describe the potential impacts of both the risks and opportunities to bp.

Climate-related physical risks

The physical risks identified primarily relate to severe weather and often represent potential for increased drivers for safety and operational risks to our operations, particularly process safety, personal safety, and environmental risks, see Risk factors [page 62](#). In addition, we have identified the potential for changes in the availability of freshwater, including as a result of climate change, as a risk to some of our operations. Higher instances of extreme weather also have the potential to impact supply chains and critical infrastructure, such as air and sea ports, as well as our customers.

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

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

Offshore facilities

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

Water resources

Water resources are increasingly under pressure from various factors, including climate change, and this poses a potential risk to some of our operations that depend on the availability of freshwater. Based on analysis using the World Resources Institute (WRI) Aqueduct Global Water Risk Atlas, and in certain cases review of site-specific local data sources, six of our 16 major operating sites in 2025 were located in regions with high to extremely high water stress. Using WRI data, we have identified the potential for this risk to increase in the medium term. For more on water consumption, see [page 59](#).

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

Recommended Disclosure:

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

bp's plans for the energy transition

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

Throughout the strategic report we set out bp's strategy and plans for the energy transition. This includes our progress against 2025 performance, see [page 21](#).

Our progress against our net zero aims are described on [pages 37-38](#).

TP

Our strategy, business and financial plans are informed by a range of inputs including the climate-related risks and opportunities associated with the energy transition outlined above. We describe how we use scenarios to inform our strategy on [page 7](#).

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

Climate-related transition risks and opportunities

1

The value of our hydrocarbon business could be impacted by climate change and the energy transition.

Changes in policy, legislation, consumer preferences or markets as a result of growing concerns about climate change and the energy transition could reduce demand for fossil fuels or lower their price relative to our financial planning assumptions, particularly in the medium to long term, negatively impacting returns from or the value of our hydrocarbon businesses. Changes in regulations, including carbon pricing and fossil fuel policies, could also impact compliance and operating costs in our oil and natural gas production and refining businesses.

Alternatively, prices (such as Brent oil and Henry Hub natural gas) during the next decade could be higher than our financial planning assumptions under certain transition pathways, including those aligned with the Paris Agreement. This could strengthen returns from our hydrocarbon businesses (including securing higher proceeds from assets we choose to divest) which may enable us to deliver enhanced shareholder value, further strengthen our balance sheet and grow investment in the transition, in line with our financial frame.

2

Our ability to grow or deliver expected returns from our transition businesses* could be impacted by the energy transition.

Several factors could restrict the growth of our transition businesses* or returns from them. These factors include: lack of, or insufficient development and application of, policies, regulations and frameworks that support low carbon businesses; insufficient consumer demand for our low carbon offering; strong competition in the market; or the insufficiently rapid development of supporting technologies and infrastructure or constraints on supply chains for low carbon energies. This could particularly impact bp in the short to medium term as new markets and technologies develop but could also represent a longer-term risk.

Alternatively, demand, policy support or enabling technology and supply chain growth for renewables could support a more rapid portfolio shift with expansion of our low carbon businesses and higher returns from them.

Some low carbon businesses, including renewable power, bioenergy and emerging technologies such as hydrogen and carbon capture and storage (CCS), rely on policy support to promote growth. We support well-designed, robust public policy that enables this.

Changes in customer preferences, pace of technology and infrastructure development and deployment and costs could impact the markets for low carbon products and services. For example, the pace of adoption of electric vehicles (EV) could impact utilization rates, and consequently returns, from our EV charging networks.

We recognize that the pace of our transition relative to our core low carbon target sectors and regions is important. If we move more slowly than those markets, we may miss investment opportunities and customers may prefer different suppliers with potential negative consequences to demand for our products and to our reputation. If we move faster than these markets, we risk investing in technologies or low carbon products that are unsuccessful because there is insufficient demand for them. However, our investment may also help to stimulate demand and provide us with a leading position in growth markets.

3

Our ability to implement our strategy could be impacted by changing stakeholder attitudes towards the energy sector, climate change and the energy transition.

Negative perceptions of the energy sector, or bp, could have a number of consequences, for example: adverse litigation; reputational impacts, including our ability to attract and retain talent; and shareholder action. These consequences could affect us in the short, medium or long term.

Alternatively, increased support from our stakeholders could enable access to additional capital and new investors, strengthening our ability to deliver our strategy and enabling faster growth of our low carbon businesses.

The world is in an 'energy addition' phase of the energy transition in which it is consuming increasing amounts of both low carbon energy and fossil fuels. The *bp Energy Outlook 2025* highlights that, although the structure of energy demand will likely change over the long term, with the importance of fossil fuels declining, replaced by a growing share of low carbon energy, led by wind and solar power, oil and natural gas continue to play a significant role in the global energy system for at least the next 10-15 years. This requires continuing investment in upstream oil and natural gas.

The insights from the *bp Energy Outlook 2025* support our view that investment into oil and gas will be needed for decades to come and also that, while the pace and shape of the transition in the long run is uncertain, we continue to see the energy transition as a significant opportunity to grow value.

Perceived inconsistencies between the pace of bp's transition and societal expectations could have reputational and commercial impacts that might impair our ability to deliver our strategy. However, we also see potential to positively differentiate bp, by delivering against our strategy, net zero ambition and sustainability aims.

Climate-related financial disclosures continued

Oil and gas

In February 2025 we announced an increase in upstream investment versus our prior guidance. This additional investment allows us to strengthen the portfolio, for example we are building our US portfolio to around 1 million boe/d by 2030, increasing production in our US onshore business and developing our Gulf of America Paleogene resource. In the Middle East we are now partnered in the redevelopment of several giant oilfields in Kirkuk, [page 31](#), alongside our existing position in Rumaila, Iraq. These examples, alongside other investment in our existing portfolio, additional access and exploration underpin expected growth in underlying production to 2.3-2.5mboe/d in 2030, excluding future potential divestments.

We recognize that the transition presents uncertainty for our upstream business, including the possibility of lower oil and gas prices. In recent years we have maintained top quartile unit production cost at around \$6 per barrel, made strong progress on operational reliability and commerciality across our portfolio, and we retain optionality to divest lower margin barrels. We intend to maintain the disciplined application of our balanced investment criteria, which include the consideration of applicable economic hurdle rates and operational emissions intensity levels, from a portfolio across oil and gas. Read more about our investment process on [page 20](#).

As an outcome of our strategy and informed by our current outlook, and its underlying assumptions, which may change over time, we are aiming for the Scope 1 and 2 emissions from our operations – the majority of which are associated with the operating assets in our hydrocarbons portfolio (refining and upstream oil and gas combined) – to be 45-50% lower at the end of 2030 than in 2019 and we plan to maintain ‘near zero’ methane intensity★ across our operated producing assets, see [pages 37-38](#).

TP Customers and products

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

We recognize the risk of a decline in demand for conventional vehicle fuels and products due to the energy transition and are working to increase the efficiency and resilience of our existing fuels and lubricants businesses through operating cost reductions and margin optimization. In December 2025, we announced an agreement to divest a 65% shareholding in *Castrol*, strengthening our balance sheet while retaining exposure to future growth and optionality. We are also increasing the resilience of our existing fuels

network and high-grading our regional footprint. Since 2020 we have exited our Switzerland, Turkey and Netherlands mobility and convenience businesses, and in the past year have announced our exit from our mobility businesses in Austria. We are reallocating capital into our most advantaged positions such as major transit routes in key markets where we see sustained demand for fuels and EV growth, e.g. EV charging investments on our sites near the German Autobahn road network.

Our integrated mobility model across fuels (hydrocarbons and biofuels), convenience and EV charging provides resilience to the pace of transition by allowing us to flex our offer to meet customer demand.

In aviation, we will make selected high-return investments to build our footprint; and see strong growth potential in sustainable aviation fuel through the transition.

Our biofuels business is already playing a key role in building resilience to the energy transition – helping to decarbonize the mobility value chain using existing infrastructure. In Q4 2024 we took full ownership of bp bioenergy in Brazil, accessing around 50kb/d of production and see potential for future growth with support from policy and market conditions. Our feedstock positions also provide opportunity to additional resilience to anticipated supply shortages in the transition. In Q1 2026 we launched Etlas, a joint venture with Corteva, continuing our momentum in feedstocks with the aim to produce one million metric tonnes of feedstock per year by the mid-2030s (see [page 35](#)).

At our refineries, the energy transition could impact demand for certain products in the future and raise costs. We expect the impacts to be region- and asset-specific and are difficult to fully anticipate. Consequently, we are continuing to drive greater competitiveness and value from our refineries, aiming for 96% or above Solomon refining availability. We are also repositioning our refining portfolio and building resilience through value chain integration, co-production of biofuels alongside traditional products and selective decarbonization initiatives.

TP Low carbon energy

Ongoing volatility and uncertainty continues to impact low carbon energy businesses globally, underlining the need to be aligned with and flexible to market and policy development. As announced in February 2025, we are changing our model for low carbon – delivering with partners and with external financing that will be capital-light for bp and help improve our equity returns.

In offshore wind, we established the JERA Nex bp joint venture in Q3 2025. Recognizing the exposure to transition volatility seen in recent

years, JERA Nex bp plans to focus on highly disciplined, capital efficient growth, with bp retaining an option to our equity share of power offtake.

In solar, Lightsource bp continues to be a leading global onshore renewable developer in markets with attractive sector returns.

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

Through Archaea Energy, we believe we are uniquely positioned in the US to meet growing demand for renewable natural gas★ as the transition progresses. We are building resilience by improving capital efficiency and reducing operating costs and continue to assess and develop new routes to market and customer solutions to create future optionality.

TP Supply, trading & shipping (ST&S)

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

The diversification of our traditional oil business helps mitigate the risk of falling demand in the US and Europe by providing access to growing demand centres such as Latin America and Sub-Saharan Africa and in growth markets such as petrochemicals, biofuels and adjacent agricultural commodities.

Our gas and power business spans regional and global markets. Our LNG portfolio offers exposure to a lower carbon growth market combined with flexibility through our advantaged key global positions. Additionally, with the acquisition of BP Energy Retail in the US and GETEC in Europe, ST&S is building resilience by participating further down the value chain towards end consumers. Our power trading business allows us to optimize across the value chain from generation to wholesale markets to customers. This helps position us for further electrification of the energy system as well as further decarbonization of electricity.

Impact on technology

We are investing in digital and technology solutions that can help to generate value for bp, manage risk and help accelerate the transition through focused scale-up and innovation. This investment includes targeted focus on research and development where bp is and can be differentiated and growing partnerships to increase leverage. We expect our research and development spend to be increasingly focused on technologies with the potential to help identify and access new oil and gas opportunities at lower cost, reduce GHG emissions and enable our transition businesses★. See [page 9](#) for examples of technology investments in 2025.

We recognize the potential for disruptive technologies to impact our strategy. Alongside our research and development investments, our bp ventures portfolio also includes investments in emerging technologies and business models that can help support our businesses and deliver our strategy.

Physical risk

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

Having considered both geographic factors and the ability of climate models to adequately represent future trends in physical climate parameters, we seek to take the uncertainties concerning climate-related physical risk into account in our approach to design and operating criteria for existing assets and new major projects★. Where appropriate, we have updated our metocean design criteria to include consideration of both forward-looking and historical models, including climate and synthetic models, in an attempt to mitigate both models and extrapolation uncertainty. The particular models chosen will depend in part on geographic location. See Risk Management, [page 44](#), for how we manage these uncertainties.

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

Recognizing the potential impact of climate change and other factors on water resources, as part of our water aim, we are taking steps to be more efficient in operational freshwater use (read more about water use on [page 59](#)).

Impacts on our financial planning

Capital allocation: We plan to invest sufficient capital to execute our strategy, enabling us to mitigate the risks and capture the opportunities we have identified. As part of our annual planning processes, we assess the distribution of capital across our business areas, including consideration of market evolution. In February 2026 we announced that we expect capital expenditure★ to be \$13.0-13.5 billion in 2026. To help maintain resilience to the pace of transition and access opportunities, we will continue to flex capital as policies, technologies and markets evolve.

Access to capital: While there is potential for concerns about the energy transition to impact banks' or debt investors' appetite to finance hydrocarbon activity, we do not anticipate any material change to funding in the short to medium term. We are committed to strengthening the balance sheet and continue to target improving credit metrics within an 'A' grade credit range. We reiterate our primary target for net debt of \$14-18 billion by the end of 2027. Net debt decreased from \$23.0 billion to \$22.2 billion during 2025.

Since the end of 2019 we have repurchased around \$26 billion of short-dated existing bonds and issued over \$12 billion of new bonds with a duration of 20 years or longer, doubling the duration of our debt book.

We provide further information on financial frame elements related to capital expenditure, balance sheet management and buybacks on [page 18](#).

We provide more detail on financial risk factors, including liquidity risk in Financial statements – [Note 29](#).

Investment criteria: Investments are evaluated against a balanced set of six investment criteria, including sustainability (see [page 22](#)). The assessment of economics includes a set of price assumptions that reflect our view of market evolution (for our key investment appraisal price assumptions, see [page 20](#)). In addition, the investment economics for all investment cases where bp's share of annual greenhouse gas (GHG) emissions from operations are anticipated to exceed specific thresholds include a carbon price for those emissions, which rises from \$67/tCO₂e in 2026 to \$135/tCO₂e (2024 \$ real) in 2030.

Impacts on financial performance and position

Assessing the impact of climate change and the energy transition requires the use of a number of judgements and estimates.

We have set out the significant accounting policies, judgements and estimates used in assessing the impact of climate change in Financial statements – [Note 1](#).

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

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

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

Recommended Disclosure:

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

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

As in 2024, to help test our view of this, we have assessed the resilience of our strategy to different climate-related scenarios, including 1.5°C consistent scenarios.

Climate-related financial disclosures continued

We did this in three steps:

1. First, we evaluated all business areas in our portfolio by i) quantitatively assessing their financial significance, in the context of bp's total financial outlook, to understand the potential scale of financial/strategic impact that could be put at risk if exposed to transition uncertainty, including 1.5°C; and ii) considering whether there is a key variable – such as price or demand – which would represent a transition driver of such risk.
2. Second, we quantitatively assessed the impact, to each business area, of potential transition exposure scenarios in 2030 – the point in our planning horizon at which there is widest transition uncertainty.
 - For each of those business areas with both sufficient scale and for which a specific transition risk driver was identified – which collectively represent over 70% of our 2030 adjusted EBITDA★ outlook – we performed a scenario analysis focused on that transition risk driver, across a range of transition pathways^a, including 1.5°C, as set out below and in our methodology summary on [page 52](#).
 - For each of the remaining business areas we performed a simplified quantitative scenario analysis, by testing the financial impact of a scenario in which each business area's expected 2030 adjusted EBITDA is assumed to be reduced to zero – an outcome at least as detrimental to that business area's adjusted EBITDA as could reasonably be expected to result from business-as-usual (BAU), well-below-2°C and 1.5°C transition pathways.
 - In this way, all business areas were quantitatively tested to downside impacts at, or beyond, a range of transition scenarios.
3. Finally, on the basis of the results of steps 1 and 2, we identified those business areas for which the possible consequences of the downside scenario(s) were sufficiently significant to potentially jeopardize group strategic resilience – as in prior years, the only business areas for which this was found to be the case were oil and gas production with respect to their exposure to oil price. For these business areas we assessed the potential implications for bp's strategic resilience (as defined below) over the period from 2027 to 2030.

To undertake steps 2 and 3, we identified financial criteria which can be modelled as proxies for strategic resilience – choosing to

do this through three lenses consistent with our financial frame (as set out on [page 18](#)), being our ability to deliver:

- i. a resilient dividend;
- ii. a stronger balance sheet that continues to target improving our credit metrics within the 'A' grade range; and
- iii. disciplined investment allocation.

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

To undertake the modelling in steps 2 and 3, we used a suite of external scenarios from various providers (for example, IEA's World Energy Outlook (WEO 2024) Net Zero Emissions by 2050 (NZE) scenario).

This suite of scenarios took as its start point the latest WBCSD (World Business Council for Sustainable Development) Scenario Catalogue (V3, published in May 2024), which we then updated for relevant metrics where underlying source data providers (IEA, NGFS, UN PRI IPR) have published more recent (or withdrawn older) transition scenarios. We refer to this as our Transition Scenario Catalogue★, with more detail on its preparation provided on [page 53](#).

When considering the long term (post-2030 to 2050), attention is drawn to the sensitivity analysis conducted as part of our value-in-use impairment testing for oil and gas assets, outlined in Financial statements – [Note 1](#). While not intended to extend the strategic resilience test as outlined above to the long term, it provides an indication of how we monitor potential longer-term financial impact to revenue downside which, if resultant from reductions in price in isolation, may be associated with prices towards the bottom of the range of trajectories in the Transition Scenario Catalogue.

Our approach, described in more detail on [page 52](#), is directly applicable to transition risks #1 and #2 – as well as their associated opportunities – as these lend themselves to a financially quantified scenario-based analysis. The approach does not directly address transition risk #3 – however, we believe that some of the potential drivers for transition risk #3, namely policy and societal trends, may be implicit in these scenarios, and we believe that the successful execution of our strategy will,

over time, help to mitigate this risk to bp as well as positioning us to take advantage of the potential associated opportunities. This scenario analysis exercise also does not directly address climate-related physical risk, our strategic resilience to which is further discussed below.

Key insights from our scenario analysis and resilience test

While the results of any such analysis must be treated with caution (being necessarily dependent on numerous assumptions and methodological choices, and having its own limitations) overall this analysis and resilience test reinforced our confidence in the continued resilience of our strategy to a wide range of transition scenarios, including those consistent with limiting temperature rise to 1.5°C.

In summary, the modelling indicated once again that oil prices consistent with a 1.5°C transition scenario remain our greatest transition exposure to 2030, but that nonetheless bp remains resilient to the lowest oil price scenarios tested.

In undertaking this analysis we observed:

- There is considerable uncertainty across, and often within, each Transition Scenario Catalogue family in the pace and nature of the transition to 2030 – and therefore considerable range of potential financial impact across some of the variables selected for the analysis, reflecting the complexity and interdependencies of the energy transition (see table on [page 53](#)). Generally, we observed that the faster the pace of transition, the greater the uncertainty in the exact shape of the resulting energy system in 2030.
- Oil price^b is likely to remain the main source of climate-related transition uncertainty for our strategy through to 2030, reflecting both the wide range of potential pathways and the expected contribution to our total adjusted EBITDA★ over this period, that oil-price-linked businesses represent^c.
- In the 1.5°C family, the potential downside in 2030 suggested by the lowest oil prices in the Catalogue (the IEA WEO 2024 Net Zero Emissions by 2050 (NZE) scenario) is around 23% of group adjusted EBITDA in 2030. Scenarios from other scenario families and providers (e.g. NGFS) indicated higher prices in this time period.

a Although such scenarios do not and cannot represent all possible futures, we value them as a simplified and schematic way to consider the potential implications of, and uncertainty inherent within, a range of possible energy transition pathways to a future bp portfolio mix.

b Our multi-year (2027-30) oil price resilience test considered 2030 low oil prices consistent with the most extreme scenario in the Transition Scenario Catalogue – the IEA WEO 2024 Net Zero Emissions by 2050 (NZE) scenario at \$42/bbl (2023 \$ real – inflated in line with bp's other planning assumptions). Intervening years are interpolated from 2025 average actual Brent oil price.

c Note that for the purposes of our scenario analysis and resilience test, we have assessed the impact of oil price across both our oil production businesses and those natural gas businesses for which commercial outcomes are linked to oil price.

- Even with the most extreme 1.5°C-consistent low oil price environment in any of the scenarios, over the period from 2027-30, taking into account our ability to optimize within the frames set out in our strategy, and the mitigations that we would naturally be expected to make in a lower oil-price world, in our analysis we are able to deliver across the three lenses we use to consider strategic resilience for TCFD purposes, described above.
- Furthermore, in several of the source scenarios within the Transition Scenario Catalogue tested, including those consistent with 1.5°C, well-below 2°C and BAU families, oil price could potentially offer a financial upside relative to our reference 2030 group business outlook.
- The maximum potential scale of downside impact on our 2030 group adjusted EBITDA (across the 1.5°C, well-below 2°C and BAU scenarios) from our other natural gas and our refining businesses was modelled to be around 5%, while from each of our fuels and low carbon energy business areas was <3%.
- It is reasonable to consider each potential outcome in isolation since the outcomes for different business areas vary across scenarios (see table on [page 53](#)). Our diversified portfolio helps mitigate the implications for our strategic resilience of the exposure of any individual business area to the identified risk.
- In a BAU scenario, we believe our strategy mitigates the risk of what we and others have referred to as a 'delayed and disorderly' transition, which might follow in the medium to long term. Should the earnings of any one of our in-scope transition business areas be challenged in the modelled timeframe, our analysis suggests that the impact of this on group adjusted EBITDA in 2030 would not be sufficient to impact the resilience of our strategy, as described above.
- When considering the long term, the outcome of impairment sensitivity analysis is detailed in the Financial statements – **Note 1**, which indicates the magnitude of the reduction in the carrying amount of bp's currently held upstream oil and gas properties.

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

Maintaining strategic resilience to the transition

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

To enable us to understand and respond to the changing pace of the energy transition, we monitor and assess key indicators and metrics, such as policy development, renewables installed capacity, EV sales and low carbon technology costs.

Our strategy and capital allocation, the associated risks, opportunities and (by association) their implications for our resilience are all reviewed by the bp leadership team and the board and updated as they consider appropriate.

Resilience to physical risk

As described on [page 49](#), we have identified a number of physical risks which may affect our business and assets, the frequency or severity of which could be affected by climate change. Exposure to physical climate-related risk is highly dependent on geographical location and on factors such as asset design, and we seek to manage these risks accordingly. We consider that our approach to managing these risks, described in Risk Management Recommended Disclosure b) on [page 46](#), supports our strategic resilience to them.

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

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

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

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

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

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

Despite this uncertainty, we have found no definitive basis in either the IPCC report or the limited number of detailed studies we have undertaken (see [page 49](#)), to conclude that climate-change-induced increases in the frequency or severity of severe weather events would be likely to result, at any point in time out to 2030, in disruption and shutdowns across our oil and gas portfolio on a scale that would reduce earnings so significantly as to jeopardize the resilience of our strategy.

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

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

Climate-related financial disclosures continued

Our approach to testing resilience to transition risk

Most of our analysis focused on our medium-term time horizon (2030) – far enough ahead to provide a divergent range of scenarios, while not so far ahead that it is unrealistic to attempt to generate credible financial metrics for bp, or an individual business area within bp. For the variable(s) considered most significant, we also assessed resilience over the period 2027-30. Beyond 2030 we highlight the impairment sensitivities in the Financial statements – **Note 1**.

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

We have additionally validated the conclusions of step 3, below, using our most recent internally-held financial outlook (as at 10 February 2026).

Resilience is assessed against the financial priorities set out in the 4Q/full year 2025 results update (10 February 2026).

A high-level summary of the steps taken as part of our scenario analysis is as follows:

- 1. Whole company assessment:** We defined, through quantitative analysis, which business areas could have both the financial scale and clear transition exposures to potentially impact bp's strategic resilience.
 - a. We assessed the business areas in our portfolio by i) quantitatively evaluating each business area's 'potential significance' by its expected contribution to bp group adjusted EBITDA★ in 2030 and therefore the quantum of financial impact that might be put at risk by transition uncertainty (including pathways consistent with 1.5°C); and ii) by identifying, for each, whether there were primary potential value driver(s) that different transition pathways might impact ('transition risk driver(s)').
 - b. Three broad business areas (see table below), representing over 70% of 2030 adjusted EBITDA, were identified as both providing a potentially significant financial contribution and facing clear primary transition risk drivers, and so were subjected to the driver-based analysis set out in steps 2a-2b below.
 - c. The remaining business areas followed a simplified approach – step 2c.

2. Scenario analysis: We tested the financial impact of transition on all of bp's business areas in 2030 through either specific 'driver-based' scenario modelling (a-b), or 'simplified' scenario analysis (c).

- a. For the driver-based scenario analysis, we selected the primary transition risk driver(s) for each business area – the variable(s) from the Transition Scenario Catalogue★ (see below) representing what we consider to be the primary driver(s) of that business area's primary exposure to the energy transition. For each transition risk driver, we extracted the full range of 2030 outcomes within each scenario 'family'. Given the global nature of the transition risks and opportunities we have identified, we used the 'world' values in the Catalogue except for gas price (see table on **page 53**).
- b. By calibrating the Catalogue's 2030 scenarios to relevant business metrics underpinning our strategic planning (for example, oil price or primary energy demand for oil), we modelled the impact of each variable, across the full range of scenarios and each scenario family, including the most extreme downside scenarios, on the 2030 expected earnings (adjusted EBITDA) for the associated business area. For example, we applied an underlying RC profit★ rule of thumb to the deviation of oil prices in the Catalogue versus our reference case price. This analysis was 'unmitigated' (see 'Other key considerations', below).
- c. For the simplified scenario analysis, used for the remaining business areas identified in step 1c, we took a simpler conservative approach, by evaluating whether a scenario in which each business area's expected 2030 adjusted EBITDA is assumed to be reduced to zero (an outcome considered to be at least as detrimental as could be expected to result from ranges associated with 1.5°C, 2°C or BAU scenario families) could have the potential to impact strategic resilience (as defined below).
- d. This analysis enabled us to assess the potential for each business area to impact group adjusted EBITDA (and by implication associated cash flows) in 2030, when compared to the reference group business outlook, to identify which (if any) businesses, variables and scenarios may have the potential to most materially impact strategic resilience (as defined below), and as such, which business areas should be carried forward into a multi-year resilience assessment.

3. Multi-year resilience test: This step tested bp's resilience to the exposure of any sufficiently material business areas to downside scenarios that may have the potential to jeopardize the ability to generate excess cash flow★ and a strong cash cover ratio – financial metrics that were treated for the purposes of this analysis as representing financial evidence of delivery of bp's strategic financial priorities (see below).

From step 2, in 2025, only the exposure to oil price was assessed as sufficiently material in this sense. Our multi-year (2027-30) oil price resilience test considered sustained low oil prices interpolated from 2025 actual Brent price to the most extreme 2030 Transition Scenario Catalogue case (IEA WEO 2024 NZE by 2050 Scenario) – falling to a 2030 minimum price of \$42/bbl (2023 \$ real).

Other scenarios, from providers such as UN PRI IPR and NGFS, formed part of the Catalogue, but indicated higher prices than the IEA WEO NZE case used.

For information about the approach to impairment sensitivity testing see Financial statements – **Note 1**.

Transition Scenario Catalogue data

- The latest WBCSD^a Energy Climate Scenario Catalogue which was Version 3.0 published May 2024, has been used as a starting point for compiling a suite of transition scenarios. While there has been no more recent update to the WBCSD Catalogue (at the time of preparation), certain underlying source providers (IEA^b, NGFS^c, UN PRI IPR^d) have since published updated scenarios for key transition variables or have 'retired' older scenarios.
- To reflect this more recent information, the Transition Scenario Catalogue we used is therefore based on variables and scenario families from WBCSD V3, updated for amended IEA, NGFS and UN PRI IPR data where available (see footnotes on the next page for details).
- For updated variables, oil and gas price and primary energy demand for oil (used for oil, gas and refining) were directly available in the published data. 'Final energy demand for liquid oil in road transport'; used for bp's road transport-related business areas, was not directly available from updated publications and so required some simple derivation by bp: 'Total final consumption in road transport' (IEA) and 'Final energy demand in road transport' (NGFS) were

disaggregated to estimate the proportion associated with liquid oil based on the published breakdown of 'Road transport final energy demand by energy source' published in WBCSD V3. We believe that this disaggregation of source data was similarly required in previous years to be conducted by WBCSD and its partners in preparing their Scenario catalogues.

Other key considerations

- For the purposes of steps 2 and 3, we considered the resilience of our strategy to climate-related transition risk through the three lenses described on [page 52](#). We defined the following as proxy indicators for these lenses:
 - Positive group excess cash flow (in 2024 termed 'surplus cash flow'), to demonstrate whether after funding, among other things, capital spend within our disclosed capital frame to 2027 (February 2025 Capital Markets Update) and a resilient dividend per ordinary share, sufficient excess cash flow remains to maintain or reduce net debt over the period.
 - Healthy cash cover ratio as an indicator of the ability to maintain a strong investment grade credit rating.
- For steps 2 and 3, we made the simplifying assumption that, aside from the driver being modelled, our strategy, operating model, volumes, margins, sales proceeds and tax rates would remain unchanged out to 2030.
- There are a range of mitigations or actions that we might naturally be expected to experience (e.g. through deflation) or to take in response to external market, price and demand trends, including cost reductions, portfolio adjustments, shareholder distribution and balance sheet choices, capital reallocation or capital reductions within the frames set out in our strategy.
- For step 3, given we would seek to make use of opportunities to maintain our strategic flexibility in the face of the many uncertainties of the energy transition, our methodology retains the optionality in downside scenario modelling to apply some or all of these mitigations.
- As outlined above, we utilized our latest internal reference group business outlooks as the basis against which resilience has been tested, as this forms a deterministic view against which to model the transition sensitivities to 2030 and aligns to the strategic updates provided to investors in February 2025 (and February 2026). Alongside disclosed elements such as the capital frame range to 2027, this includes shaping assumptions such as future distributions and net debt management.
- Rules of thumb applied to convert variance in hydrocarbon price to variance in adjusted EBITDA, these are considered appropriate to the period in question – i.e. they reflect the portfolio's changing price leverage over the period to 2030. Due to the evolution of bp's portfolio, these rules of thumb may diverge from any short-term rule of thumb that we publish.
- Through conducting this analysis, we do not intend to imply or commit to a specific forward trajectory of usage of cash, beyond any disclosed in the investor update in February 2025 (and 4Q/full year 2025 results on 10 February 2026) or other published strategy updates. While we cannot disclose, for confidentiality reasons, the detail of the deterministic case, the test assesses whether the resilience indicators in our reference group business outlook are impacted by the transition uncertainties tested. Further, by the nature of the timeframes considered, a variety of uncertainties exist around this deterministic case (including transition risk itself).
- The design of a strategic resilience analysis involves numerous methodological choices and assumptions any one of which could reasonably have been different, leading to different outcomes. We have found value in conducting this analysis; however, we are mindful of the limitations to any such exercise and the highly qualified nature of any conclusions which may be drawn from it. The disclosures provided here should be read in conjunction with the rest of our strategic report, where we discuss how we have developed, and continue to evolve, our approach to strategy.

Transition Scenario Catalogue★ family ranges for 2030 key transition variables

Scenario families (as categorised by WBCSD/source providers):		BAU		Below 2°C		1.5°C	
Business area	Transition variable	Min	Max	Min	Max	Min	Max
Oil and natural gas production	Oil price ^e (\$2023/bbl)	65.2	81.2	65.4	81.2	42.0	72.3
	Natural gas price ^f (\$2023/mmbtu)	3.81	4.38	2.59	4.38	2.10	4.62
Refining – refined oil demand	Primary energy demand for oil (% change vs 2020)	-2.4	14.4	-4.2	8.7	-21.3	-5.9
Conventional fuels retail and midstream	Final energy demand for liquid oil in road transport (EJ/yr)	74.3	88.7	71.9	88.7	63.5	72.1

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

a World Business Council for Sustainable Development; for the WBCSD Energy Climate Scenario Catalogue 3.0 (2024) see https://climate-scenario-catalogue.shinyapps.io/final_2024/.
b IEA World Energy Outlook (WEO) 2023, in WBCSD V3, updated with relevant data from IEA WEO 2024 (published October 2024); see <https://www.iea.org/reports/world-energy-outlook-2024>.
c NGFS v4.2, in WBCSD V3, updated with relevant data from NGFS v5.0 (released November 2024); see <https://www.ngfs.net/ngfs-scenarios-portal/data-resources>.
d UN PRI Inevitable Policy Response Forecast Policy Scenario (2023), in WBCSD V3, updated with relevant data from UN PRI IPR Transition Forecast Scenario (2025); UN PRI IPR Required Policy Scenario (2021), in WBCSD V3, removed (now regarded as outdated); see <https://ipr.transitionmonitor.com>.
e Oil price sensitivities have been applied to the oil and gas production portfolio that is linked to oil marker prices – as such it not only reflects oil production exposure, but also a proportion of bp's natural gas production that is contracted off oil marker prices.
f Gas prices shown reflect Henry Hub price ranges. Where available, Asian and UK gas price sensitivities have also been selected and compared to the Henry Hub sensitivity percentages with the maximum deviation selected and applied to the respective Asian and NBP rules of thumb for these parts of the gas portfolio, in order to provide the most conservative uncertainty range.
g In 2025 this included, for example, biogas and biojet production, aviation fuel sales, EV charging, renewables and hydrogen production, as well as convenience and trading and shipping.

Climate-related financial disclosures continued

Metrics and targets

TCFD Recommendation:

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

We present the principal group-wide metrics and targets used to assess and manage climate-related risks and opportunities in line with our strategy and risk management process below, with metrics and targets mapped to the most relevant of TCFD's

cross-industry, climate-related metric categories (such as 'transition risks').

The metrics and targets themselves are disclosed at the most appropriate locations in this strategic report.

TCFD recommended disclosures – metrics and associated targets/goals

a) Disclose the metrics used by the organization to assess material climate-related risks and opportunities in line with its strategy and risk management process.

Transition risks

- Note 5 to Financial statements: Segmental analysis. Segment revenue (in table), [pages 185–189](#)
- Estimated net proved reserves and production (net of royalties), [page 27](#)
- Note 4 to Financial statements: Disposals and impairments, [page 182](#)
- Note 8 to Financial statements: Impairment losses (in table), [page 190](#)
- Oil and natural gas prices used for value-in-use impairment testing and recoverability of asset carrying values, [pages 168 and 274](#)

Physical risks

- Number of major operating sites in regions with high to extremely high water stress, [page 59](#)
- Freshwater withdrawals and consumption at major operating sites in regions with high or extremely high water stress, [page 59](#)

Climate-related opportunities

- Note 5 to Financial statements: Segmental analysis. Segment revenue (in table), [pages 185–189](#)
- Gas & low carbon energy, [page 28](#)

Capital deployment

- Financial frame, [page 18](#)
- Price assumptions, key investment appraisal assumptions, [page 20](#) (in table, indicated with [TCFD](#))
- Amount invested in transition businesses★, [page 21](#)
- Additional information – capital expenditure by segment, [page 335](#)
- Note 7 to Financial statements: expenditure on research and development (in table), [page 189](#)
- Note 8 to Financial statements: exploration and evaluation costs (in table), [page 190](#)

Internal carbon prices

- Internal carbon price, [page 20](#)

Remuneration

- Directors' remuneration report metrics: operated carbon emissions, [page 99](#)

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

GHG emissions

- Key performance indicators (relevant KPIs shown with TCFD), [page 17^a](#)
- Scope 1 and 2, in SECR table [page 39](#)
- Ratio of Scope 1 and 2 emissions: gross production, in SECR table [page 39](#)
- Scope 3 (related to category 11) emissions [page 38^b](#)
- TCFD: risks as described in Strategy a, [page 46](#)
- Risk factors, [page 67](#)
- A further breakdown of our GHG and energy data by business group is available in the *bp ESG Datasheet 2025* at bp.com/ESG

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Transition risks

- Net zero operations★ (including methane), [page 38](#)
- Net zero sales★, [page 38](#)

Physical risks

- Water, [page 59](#)

Climate-related opportunities

- Net zero operations (including methane), [page 38](#)
- Net zero sales, [page 38](#)

Capital deployment

- Transition business investment, [page 21](#)

Remuneration

- Incentivizing employees, [page 58](#)

GHG emissions

- Net zero operations (including methane), [page 38](#)
- Net zero sales, [page 38](#)

a These are our KPIs for the purposes of our disclosures pursuant to the UK CFDR Regulations and Section 414CB (2A) (h) of the Companies Act 2006.

b In determining the Scope 3 emissions that are 'appropriate' to be disclosed for the purposes of this Recommended Disclosure, we have considered this term in the context of the recommendation to disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Sustainability continued

Our approach to sustainability

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

Safety comes first

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

We deeply regret the four fatalities and three life-changing injuries that occurred in 2025.

Three employees in our TravelCenters of America business^a died at work – two while carrying out emergency roadside assistance in separate incidents and one while servicing a truck. In response, we have permanently stopped roadside assistance next to active traffic lanes. A contractor in our *Thorntons* retail business died after falling from a ladder.

One employee and two contractors suffered life-changing injuries. Two were hand injuries – one in our TravelCenters of America business^a, the other in our Mauritania and Senegal business. The third was a head injury which occurred during a crane lifting activity in the North Sea (UK).

We have offered our support to the bereaved families and the injured workers. We know we have more work to do to improve our safety culture and performance.

Keeping people safe

We remain focused on risks that have the potential to cause fatalities or significant injuries and we monitor and report on key workforce personal safety metrics in line with industry standards. We include both employees and contractors in our data. Life-changing injuries decreased from six in 2024 to three in 2025^{ab}. Our recordable injury frequency (RIF) also decreased by 21% compared to 2024, see [page 16](#). These reductions are encouraging, but we know we must maintain our efforts to continue improving our safety performance, by applying the International Association of Oil & Gas Producers' (IOGP) Life-Saving Rules and our own Safety Leadership Principles.

In 2025 we gained new insights about the effectiveness of the IOGP's Life-Saving Rules in bp, due to the introduction of conformance checklists tailored to the needs of specific businesses.

Driving safety

Driving continues to be one of the biggest personal safety risks we face at bp. In 2025 five severe vehicle accidents occurred (2024 5). The number of kilometres driven fell by 19% during the same period.

	2025	2024	2023
Severe vehicle accident rate per million km driven	0.03	0.02	0.02

Our Operating Management System^c

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

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

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

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

Preventing incidents

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

Our combined reported tier 1 and tier 2 process safety events[★] (PSEs) have decreased for the past 12 years, apart from in 2019. There were 27 PSEs in 2025 (2024 38), of which five were tier 1 (2024 3) and 22 were tier 2 (2024 35).

In 2025 the number of oil spills^d increased to 110, compared with 96 in 2024.

Our operating sites share examples of good practice, while our central health, safety, and environment incident investigations team reviews serious or complex incidents, which may include near misses. Supported by the use of leading indicators, such as inspections and equipment tests, these activities help us monitor and strengthen controls and identify and address systemic gaps to prevent incidents.

	2025	2024	2023
Tier 1 and tier 2 process safety events [★]	27	38	39
Oil spills – number	110	96	100
Oil spills – contained	57	49	52

Emergency preparedness

We have disaster recovery, crisis and business continuity management plans and work to build day-to-day response capabilities to support local management of incidents. We test our plans and preparedness through exercises that simulate real-life scenarios. In 2025 we conducted 37 exercises in countries including India and the US.

Security

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

Cyber security

The severity, sophistication and scale of cyber attacks continue to evolve. Increasing digitization, the emergence of new technology such as generative artificial intelligence, and reliance on IT systems and cloud platforms

a At the time of publication (March 2026), as part of the transition period for recently acquired businesses, the safety reporting processes were still being integrated into bp's safety reporting processes. As such, data from Archaea Energy, TravelCenters of America, Lightsource bp, bp bioenergy, X Convenience and new Eagle Ford assets in bpx energy are not included in 2025 reported data.

b In addition to the four life-changing injuries reported in the *bp Annual Report 2024*, two additional injuries that occurred in late 2024 were later classified as life-changing after the publication of the 2024 report, in accordance with the 180-day classification window for life-changing injuries, bringing the total to six life-changing injuries in 2024.

c For recently acquired businesses, there is typically a transition period while bp's operating standards, as set out in OMS, are integrated or aligned.

d The number of accidental or unplanned losses of hydrocarbon from primary containment from a bp or contractor operation, irrespective of any secondary containment or recovery. Oil spills > 1bb1 are defined as any liquid hydrocarbon release of more than, or equal to, one barrel (159 litres, equivalent to 42 US gallons).

Sustainability continued

makes managing cyber risk a priority for many industries, including our own. Direct or collateral impact can come from a variety of cyber threat actors, including nation states, criminals, terrorists, hackers and insiders. As in previous years, we have experienced threats to the security of our digital systems and our barriers have worked well to mitigate and contain them to minimize any impact on our business.

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

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

→ [How we manage risk, page 60](#)
[Additional disclosures – cyber security, page 360](#)

Working with contractors

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

Our partners in joint arrangements

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

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

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

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

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

→ [People, culture and governance committee report, page 89](#)

Our people

Workforce by gender

	Male		Female		Female %	
	2025	2024	2025	2024	2025	2024
As at 31 December 2025						
Board directors	7	5	6	6	46	55
Leadership team	4	5	4	5	50	50
Group leaders	169	186	99	100	37	35
Subsidiary★ directors	473	519	294	253	38	33
All employees ^a	58,400	62,000	35,100	38,300	37	38

Number of employees

	2025	2024	2023
As at 31 December 2025			
Gas & low carbon energy	5,600	6,500	4,800
Oil production & operations	9,300	9,200	8,800
Customers & products	66,900	73,100	63,400
Other businesses & corporate	11,800	11,700	10,800
Total	93,700	100,500	87,800

a Some employees have not disclosed gender, therefore are not included in this total.

Our culture

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

Our culture frame, 'Who we are', defines what we stand for and is integrated into our code of conduct and our approach to inclusion. We maintain oversight of our culture by measuring employee sentiment and encouraging employees to use our speak-up channels. Read more about the board's role in overseeing bp's culture on [page 90](#).

Developing our people

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

In 2025 bp employees collectively completed around 2.1 million hours of formal learning (2024 1.2 million hours). bp's learning and development framework is applicable to all employees and covers safety, technical and operational skills, leadership, and future skills. Our mandatory training curriculum covers conformance with our internal standards and applicable laws and regulations.

Building an inclusive culture

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

Improving representation

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

In 2025 global female representation in bp was 37% (2024 38%), four of the eight positions in our leadership team were held by women, and 37% of group leader roles were filled by women (2024 35%).

In 2025 our ethnic minority representation in the UK remained steady at 22% of our overall workforce (2024 22%).

 [bp Gender and Ethnicity Pay Gap Report, bp.com/ukgenderpaygap](#)

In line with UK reporting requirements, we disclose information against external targets on the representation of women and ethnic minorities on our board and executive management. Read more on diversity reporting in line with the Listing Rules on [page 126](#).

→ [Composition of the board, page 73](#)

Promoting inclusion

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

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

Improving accessibility

We continue to take steps to progress inclusion for our neurodivergent employees and those with disabilities. We offer access to support including assistive technology, such as immersive readers and peripheral accessories.

To help meet the requirements of our employees we work closely with our employee-led disability BRGs.

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

We have partnerships to help us implement best practice methods to support neurodivergent employees and those with disabilities. Our partners include the Business Disability Forum in the UK.

Employee engagement

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

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

In 2025 we reset our approach to performance management to reflect our organizational focus on delivering bp's strategy^a by introducing clearer, more transparent processes – aligned goals, business scorecards, a new annual review cycle and a simple individual rating system. These changes will help embed a stronger performance culture that supports our strategy.

We monitor employee sentiment through several channels including our Pulse annual employee survey, which is sent to all eligible employees, and through our Pulse live survey, which is sent to a representative sample of employees weekly. In 2025 our overall engagement metric, employee engagement, decreased to 66%^b (2024 70%).

We will continue to develop engagement plans based on feedback from the annual and weekly surveys to help us deliver on safety, and meet our strategic objectives. The 2025 Pulse survey results highlight three priority areas for engagement in 2026: two of these – emphasizing psychological safety, and strategy and performance – were also priorities in 2025. The third – career and development – is new.

→ [Our employee engagement key performance indicator, page 16](#)
[How the board engaged with the workforce, page 80](#)

Workforce health and wellbeing

We include an employee wellbeing index in our Pulse annual employee survey and weekly Pulse live surveys. Results from 2025 showed that employee wellbeing decreased to 69%^b (2024 73%) generally because of organizational transformation.

During bp's transformation programme, we have offered comprehensive mental health support to employees which has been developed through listening forums and employee feedback.

Our approach to workforce health and wellbeing combines globally available services that can be tailored to meet local needs. All employees have access to our global digital health and wellbeing hub, Thrive@bp.

a This reset approach to performance management is subject to local law, including consultation where required.

b As a result of changes to the question set and the inclusion of employees from our retail business in the 2025 Pulse survey, the engagement and wellbeing scores for 2025 are not comparable with prior years.

Sustainability continued

Linking remuneration to sustainability ^{TCFD}

The bonus scorecard for 2025 against which eligible employees^a are measured incentivized them through three themes: safety and sustainability (30%); operational performance (15%); and financial performance (55%). For 2025 our sustainability measure was linked to our operated carbon emissions. This measure covers Scope 1 and 2 emissions based on our net zero operations★ aim. Our 2023-25 long-term incentive plan scorecard was linked to emissions reductions against our 2019 baseline (15%).

For 2026, progress towards our aim to achieve net zero operations by 2050 or sooner will continue to be rewarded through our long-term performance share plans rather than the annual bonus. For 2026-28 the scorecard measure will focus on reducing Scope 1 and 2 operational emissions (20%).

→ [Directors' remuneration report, page 91](#)

Share ownership

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

Ethics and compliance

Our code of conduct

Our code sets out the principles and expectations that guide our daily activities. It provides a framework to support safe and ethical decision making, sets the standards for how we do the right thing and empowers us to speak up without fear of retaliation. Our code is the foundation of 'Who we are', our culture frame, and it puts safety first. Together with our Safety Leadership Principles and OMS★, it helps us act responsibly, comply with applicable laws, and implement our sustainability frame.

Our code applies to all bp employees, officers and board members^b. Regular mandatory training and communications help employees understand how to apply it and how to raise questions or concerns.

All bp employees are required to confirm annually that they have read and understand our code and act in accordance with its principles. We expect and encourage all our

contractors and their employees to act in ways that are consistent with it.

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

We take potential misconduct seriously and thoroughly review allegations and respond, conducting investigations where appropriate.

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

Nearly 5,000 concerns or enquiries were reported in 2025 (2024 ~2,800). In 2025 around 1,300 separations resulted from non-conformance with our code, including unethical behaviour. Almost 90% of these separations were from our retail business.

The most frequently raised concerns in 2025 related to alleged bullying, harassment and discrimination, with these accounting for around half of all concerns. The second most common concerns related to allegations concerning assets and financial integrity.

The 2025 mandatory code of conduct training assigned to all bp employees included a specific section on non-harassment. Additionally, employees were assigned a separate training module aimed at preventing fraud.

 bp.com/codeofconduct

Anti-financial crime

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

Our code of conduct explicitly prohibits engaging in any form of bribery, corruption or money laundering and promotes lawful and ethical business practices. It includes an

expectation that we work to make sure our business partners comply with our requirements.

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

We provide appropriate training including for those employees in locations or roles assessed to be at a higher risk of bribery and corruption, money laundering and fraud that could benefit bp.

In 2025 around 8,100 employees completed anti-bribery and corruption training as part of our ethics and compliance risk-based learning. This is higher than the 5,900 employees trained in 2024, due to the rolling cadence we use to assign training.

We also conduct anti-bribery compliance audits on selected suppliers to assess their conformance with our anti-bribery and corruption contractual requirements. We take corrective action with suppliers and business partners who fail to meet our expectations, which may include terminating contracts. In 2025 we issued 19 ABC supplier audit reports (2024 32).

Political donations and activity

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

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

a The number of employees eligible for a cash bonus in 2025 was around 43,500.

b For recently acquired businesses, there is a transition period while bp's ethics and compliance standards, as required in our code, are integrated or aligned.

Tax transparency

We take a responsible and transparent approach to tax, guided by our responsible tax principles which align with our code of conduct and our beliefs.

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

We are committed to transparency around our tax principles and the taxes we pay. We paid \$8.3 billion in corporate income and production taxes to governments in 2025 (2024 \$10.6 billion).

 [bp Tax Report, bp.com/tax](https://bp.com/tax)

Trade associations

Trade associations and industry initiatives play a key role in fostering collaboration, sharing knowledge and bringing stakeholders together.

We made changes to the way we review our trade association memberships in 2025. We reviewed those with membership fees of \$100,000 or more to identify any significant misalignments or lack of influence on relevant policy between the association reviewed and bp.

 bp.com/tradeassociations

People and planet

Improving people's lives

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

People

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

- Equipping employees with skills that can improve their access to opportunities in the energy transition.
- Developing targeted just transition plans^a for select assets or regions, that help manage potential impacts on and opportunities for people as we transition.
- Fostering an inclusive culture with an employee workforce that reflects the communities where we work (read more on [page 57](#)).

We recognize the importance of a just energy transition – one that delivers decent work, quality jobs and supports the livelihoods of local communities. We report on our work to equip employees with the skills they need now and for the energy transition, and on how we are supporting local communities in the *bp Sustainability Report 2025*.

Human rights

We believe everyone deserves to be treated with fairness, respect and dignity. We respect the rights of our workforce and those living in communities where we operate, who are potentially affected by our activities.

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

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

To support our teams, we provide human rights training and other awareness-raising activities.

 bp.com/humanrights

Caring for the planet

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

Biodiversity

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

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

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

Building on the work we did in 2022 to finalize our NPI methodology for use on new, in-scope projects, we have made consistent progress over the past few years in our work to apply it. By the end of 2025 six of our projects were either implementing or developing NPI plans. In addition, all our major operating sites in

biodiversity-sensitive areas had developed or started to implement biodiversity enhancement plans.

 bp.com/biodiversity

Water

We aim to reduce our net freshwater use in stressed catchments where we operate^d, by:

- Being more efficient with freshwater use in our operations.
- Collaborating with others to replenish freshwater in stressed^d catchments. We anticipate that by 2028, our freshwater withdrawal in stressed catchments will be covered by freshwater management plans.

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

Our water consumption in 2025

Since 2020 we have reduced freshwater withdrawals (excluding once through cooling water) by 15% and freshwater consumption by 15% against the baseline^f. Reductions in 2025 were the result of operational efficiencies at our Lingen refinery in Germany, and at Whiting refinery and bpx energy Eagle Ford facilities in the US.

At our major operating sites, 13% (2024 11%) of our total freshwater withdrawals and 22% (2024 20%) of freshwater consumption were from regions with high or extremely high water stress in 2025.

Air emissions

We monitor our air emissions – sulphur oxides, nitrogen oxides and non-methane hydrocarbons – and, where possible, put measures in place to reduce the potential impact of our operational activities on local communities and the environment. In 2025 our total air emissions were flat compared to 2024.

 bp.com/ESGdata

^a We will work to develop just transition plans with input from potentially affected stakeholders to help manage social risks and opportunities.

^b At our new in-scope bp-operated projects and major operating sites.

^c New bp-operated in-scope projects where planned activities have the potential for significant direct impacts on biodiversity are required to develop NPI action plans for those activities.

^d The threshold bp uses for stress is based on a water stress level of 'high' or above, as defined by the WRI Aqueduct Water Risk Atlas. bp determines areas of water stress using either the WRI Aqueduct Water Risk Atlas or using site-specific local data sources.

^e Following an update in 2024 to the basis for calculating freshwater withdrawal to align with the basis for calculating freshwater consumption and improve clarity and consistency, metrics based on freshwater withdrawal data have been restated for the years 2020-23 to reflect the exclusion of once through cooling water, including the 2020 baseline.

^f The 2020 baseline for freshwater withdrawal is 96.4 million m³ per year and for freshwater consumption is 55.9 million m³ per year.

Risk management and internal control

Risk management and internal control

bp identifies, manages, monitors and reports on the principal risks and uncertainties that can impact our ability to deliver our strategy. These are described in Risk factors on [page 67](#).

bp's system of internal control and risk management

bp's system of internal control is a holistic set of internal controls that includes policies, processes, management systems, organizational structures, culture and standards of conduct employed to manage bp's business and associated risks. Risk management forms an integral part of this system and operates as one of the key mechanisms through which internal controls are designed, implemented and monitored.

An effective approach to risk management is central to how bp operates, supporting safe, compliant, and reliable operations as well as greater efficiency and sustainable financial results that contribute to long-term business resilience. Within the system of internal control, bp's risk management system and risk management policy are tailored to our business model and governance structure and align with the expectations of the regulatory and governance regimes applicable to bp.

Where appropriate, they draw on recognized international standards, including ISO 31000 and the COSO Enterprise Risk Management framework, and are designed to provide a consistent and clear framework for identifying, assessing, managing (including responding to), monitoring and reviewing, and reporting risks from the group's business activities and operations to management and the board.

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

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

Risk oversight and governance

Our key risk oversight and governance committees include:

Board and committees

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

Leadership team and committees

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

Acquired businesses

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



→ [bp governance framework, page 77](#), [board activities, page 78](#), [committee reports, pages 82-91](#) and [risk management and internal control, page 127](#).

Divested businesses

Separation and transition plans are used to divest businesses in a controlled manner, with clear allocation of responsibilities, appropriate oversight of transitional service arrangements, and continued management of any retained liabilities or obligations.

Day-to-day risk management

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

Business and strategic risk management

Our businesses and functions integrate risk management into key business processes such as strategy, planning, performance management, resource and capital allocation and project appraisal. They apply this by using a standard framework for collating risk data, assessing risk management activities, driving further improvements, and informing decisions on new or changing activities.

Board oversight of risk and internal control

The board is responsible for establishing and maintaining an effective risk management and internal control framework, and for determining the nature and extent of the principal risks it is willing to take in order to achieve its long-term strategic objectives.

Throughout 2025, management, the leadership team, the board and relevant committees provided oversight of how principal risks to bp were identified, assessed, and managed. They supported appropriate governance of risk management, including having relevant policies in place to help manage risks.

Such oversight may include internal audit reports, group risk reports and reviews of the outcomes of business processes including strategy, planning and resource and capital allocation. bp's group risk team analyses the group's risk profile and maintains the group's risk management system.

Risk management processes

bp's risk management processes help underpin the long-term resilience of our business model by promoting transparent, risk-informed decision making and the identification and management of risks and potential opportunities aligned with bp's strategic priorities. These include existing processes and sources of insight to consider emerging risks or opportunities, such as emerging risk communications to the board, bp's risk management system, the *bp Energy Outlook*, bp's technology-related news and insights, ongoing emerging technology scanning and strategy reviews. They also include ongoing enhancements to our system of internal control and risk management, which are informed by lessons learned and evolving governance expectations.

We aim for a consistent basis of measuring risk to:

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

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

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

Risk identification – our businesses and functions identify risks across these risk types on an ongoing basis, using a range of approaches including risk workshops, subject-matter expertise, hazard identification processes and engineering requirements.

Risk assessment – identified risks are assessed for potential impact and likelihood on a worst credible and net (residual) basis across a number of criteria, including health and safety, environmental, financial and non-financial (including reputation and regulatory impact levels). This provides a consistent basis for evaluating and comparing risks.

Risk response, monitoring, and reviewing – risk management activities are prioritized where improvements are needed based on a number of factors, including the risk assessment, strength of existing risk management measures, strategy and plans and legal and regulatory requirements. Risk management measures, including mitigations, are identified for each risk and monitored to the extent considered appropriate. To support leadership oversight of decisions relating to risk management, the appropriate organizational levels (EVP, SVP, VP) are notified of risks and asked to endorse risk management plans, depending on the assessed potential impact and likelihood. As part of bp's annual planning process, the leadership team and the board review the group's principal risks and uncertainties. These may be updated during the year in response to changes in internal and external circumstances. Emerging risks are also considered when determining whether updates to the group's principal risks are required.

Risk reporting – risk information is reported through a structured cadence that supports timely escalation and oversight. Businesses and functions provide updates on changes in risk exposure, progress of planned risk management actions, and the strength of risk management measures, including mitigations. This enables consistent aggregation across the group and supports management, the leadership team and the board in monitoring and reviewing bp's principal and emerging risks and overall risk profile.

Assurance and internal audit

bp's internal audit team provides independent and objective assurance to the chief executive and the board on the adequacy and operating effectiveness of bp's system of internal control, including risk management arrangements. Internal audit reports, thematic findings, and improvement recommendations are considered by the board and committees as part of their oversight.

The group risk team maintains the risk management and internal control framework, analyses the group's risk profile, and provides further oversight and reporting.

Assurance activities across management, specialist risk and control functions and internal audit are aligned with bp's principal risks and underpin the effectiveness of bp's risk management and internal control framework.

Principal risks and uncertainties (Risk factors)

Principal risks and uncertainties

The risks discussed below, individually or in combination, could have a material adverse effect on the implementation of our strategy and business model, financial performance and financial condition, cash flows and liquidity, operational delivery, reputation, and long-term shareholder value. These are the risks the board considers to be bp's principal risks and uncertainties (or Risk factors).

Our risk profile

The nature of our business is long term, meaning many of our risks are enduring in nature. However, risks can develop and evolve over time, and their potential impact or likelihood may vary in response to internal and external events.

During 2025, the board conducted a review of the group's principal risks, informed by bp's updated strategy, changes in our operating environment, stakeholder expectations, and the board's commitment to maintaining clear and effective oversight. Following this review, the board approved a streamlined set of 16 principal risks (previously 20).

The reduction does not reflect a change in bp's underlying risk exposure; rather, the principal risks have been reorganized to align with how risks are governed and managed across the group. Certain items previously presented as standalone risks, such as insurance, and crisis and business continuity management, are now reflected within broader control and response capabilities that support multiple principal risks. In addition, some risks have been combined, where appropriate, to remove duplication and present a single view of related drivers, accountability, and impacts.

Strategic and commercial risks

Commodity prices and market environment

Our financial performance is impacted by fluctuations in the prices of oil, natural gas, refined products, and emerging energy commodities due to factors such as volatile energy markets, exchange rates, or structural shifts in demand and supply, policy, or trade (such as carbon pricing or LNG flows).

These prices are affected by factors such as global supply and demand dynamics, the actions of key market participants (including OPEC+), and a range of external factors such as geopolitical instability, public health situations (including the outbreak of an epidemic or pandemic), sanctions, trade tariffs, and policy interventions that impact energy flows.

Prolonged periods of low commodity prices may reduce revenue, margins, and cash flow, potentially requiring asset impairments, or a reprioritization of strategic activity and may also impact our ability to work within our financial frame including potential reductions in capital investment. Conversely, higher prices do not always translate into improved returns due to fiscal regimes, cost inflation, or constrained market access.

In refining, profitability can be volatile and is affected by regional supply and demand imbalances (including regional oversupply or tightness, demand shifts, shifts in product mix, feedstock availability, and crack spread volatility).

Currency movements – particularly where revenues and capital costs are denominated in different currencies – also impact project economics and reported earnings.

Broader structural shifts, such as the pace of the energy transition, evolving climate policy, carbon pricing mechanisms, consumer preferences, and the realignment of global energy trade (e.g. LNG flows, carbon border adjustments) may lead to enduring changes in market conditions. These shifts could affect the long-term competitiveness or economic viability of existing assets and investment plans.

Accessing and producing hydrocarbon resources

Failure to adequately access, develop or sustain production of hydrocarbon resources may result in delivery delays, missed strategic targets and adversely impact our financial performance and undermine our reputation.

Our ability to generate value depends on successfully identifying, accessing, developing, and sustaining reliable production of hydrocarbon resources at pace and scale. This requires securing access; navigating geopolitical and regulatory complexity; effective and timely development and deployment of technologies; delivering projects on time; and executing with operational and commercial discipline.

Delivery risks may arise from joint venture misalignment, production reliability issues, or extended unplanned outages across the hydrocarbon value chain. Our activities are sometimes conducted in challenging environments such as those prone to natural disasters and extreme weather events, which heightens the risks of technical integrity failure. The physical characteristics of an oil or natural gas field, and cost of drilling, completing or operating wells are inherently uncertain. We may be required to curtail, delay or cancel drilling operations or stop production because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions and compliance with governmental requirements. Such outages can materially impact value, erode investor confidence, and delay strategic delivery.

This risk is increased in politically sensitive jurisdictions, under volatile fiscal regimes, or where accountability for portfolio progression is unclear following divestments – near to medium-term value remains heavily dependent on competitive, reliable hydrocarbon delivery. Sustained underperformance, partner misalignment, or high-profile project delays could limit reserve replacement and constrain growth.

Major project delivery

Failure to invest in the best opportunities or deliver major projects successfully could adversely affect our financial performance and long-term competitiveness.

Our ability to select, define, execute, and deliver large-scale, capital intensive, physical projects (such as field developments, refineries and infrastructure expansions) is critical to our financial performance and resilience. These projects are often complex and executed in technically demanding, geopolitically sensitive or geographically challenging environments. Additional factors such as extreme weather events or regulatory constraints can affect schedule and cost performance.

Major projects are often delivered through joint ventures, strategic partnerships, or third-party-led models, which can constrain our control and influence over delivery, governance, and standards.

The selection and design of our major projects need to be resilient to the impact of severe weather events (e.g. metocean criteria) and other environmental factors (e.g. water scarcity).

Potential risks include ineffective investment prioritization, subsurface uncertainty, capability constraints, supply chain disruption, inflationary pressure or delays in permitting, regulatory approval, commercial agreements, or execution.

A failure to deliver key projects to schedule, scope, budget, quality, or HSE standards may lead to cost overruns, delays in production or revenue, reputational harm, impairment, or loss of licence to operate.

Geopolitical exposure

The diverse locations of our business activities and operations around the world expose us to a wide range of geopolitical developments (including sanctions, trade route restrictions, civil unrest, conflict, or government intervention).

Geopolitical risks arise from operating in jurisdictions undergoing political, regulatory, or economic transition – and from broader societal, ideological, and technological shifts – including changes to taxation or regulatory regimes, international sanctions, trade restrictions, expropriation or nationalization of property, civil strife, strikes, insurrections, acts of terrorism, acts of war, and public health situations (including the outbreak of an epidemic or pandemic).

These events have, and can, disrupt business activities and operations, restrict access to key markets, and adversely affect financial performance, long-term growth opportunities, or reputation.

Rising bloc politics, energy nationalism, and alliance-driven policy divergence could further fragment global trade and investment patterns, influencing where bp may operate, partner, pursue business opportunities and compete. Competition over critical minerals and low carbon technologies is increasingly geopolitical, shaping access to resources and markets.

Geopolitical rivalry extends into technology and cyber domains, exposing potential operational and reputational vulnerabilities linked to supply-chain sovereignty, data integrity, and industrial security. Political instability, shifts in alliances, or increased government intervention may lead to barriers to market access, disruptions in supply chains, or challenges in executing existing or planned operations. Divergent or extraterritorial regulations (including sanctions, data, and carbon border mechanisms) may create conflicting legal obligations and compliance complexity across jurisdictions.

Such events may also affect investor sentiment, financing conditions, and access to capital. Growing fragmentation of global trade and regulation, coupled with rising energy nationalism and polarized international alliances, may exacerbate volatility in energy supply, demand, and prices. Our exposure to particular jurisdictions, vendors, and technologies exposes us to the potential for geopolitical tensions to intersect with performance delivery, investor sentiment, and stakeholder trust.

Liquidity, capital access and financial resilience

External market conditions can impact our ability to maintain liquidity, credit strength, or access to capital markets which could impair our ability to operate, meet financial commitments, or deliver our strategy.

Market volatility, operational incidents, legal proceedings, regulatory actions, or geopolitical crises could reduce access to funding or trigger unexpected calls on cash, even where insurance or other risk transfer mechanisms exist. A significant liquidity event or credit rating downgrade could lead to higher financing costs, constrained access to capital, and reduced financial flexibility, forcing us to reprioritize investment, reduce expenditure, or accelerate planned or unplanned divestments or dilutions, potentially at less than the full market value.

We are also exposed to credit risk through financial counterparties, joint ventures, trading partners, receivables, customers, delays in settlements, receipt of divestment proceeds, or divestments not completing when planned. All can impact cash flow and our ability to work within our financial frame and in more severe cases, we may need to review and reallocate financial commitments or long-term obligations such as pension funding arrangements.

Maintaining confidence with investors, lenders, and credit rating agencies is essential to preserving financial resilience and access to affordable funding, especially during periods of capital scarcity or policy uncertainty.

→ [Energy markets, page 6](#)

[Liquidity and capital resources, page 338](#)

[Liquidity, financial capacity and financial, including credit, exposure, page 68](#)

Principal risks and uncertainties (Risk factors) continued

Partner and third-party risk

The performance, standards, or compliance of non-operated joint ventures, strategic partners, contractors, sub-contractors, or other third parties could expose bp to legal, operational, financial, or reputational harm.

Many of our business activities are conducted through partners and third parties – including non-operated joint ventures, strategic partners, contractors, sub-contractors, and suppliers – where we may have limited influence and control over performance or compliance.

Our partners and contractors are responsible for the adequacy of their resources and capabilities, and there may be financial, reputational, operational or safety exposures and consequences for bp if their performance, risk management or governance standards are inadequate, including their safety practices, cyber-attacks, quality or delivery of work, financial management, legal compliance, advocacy positions, and environmental, social and governance (ESG) standards.

In some cases, third parties may not be able or may not be willing to compensate us against all of the costs we may incur on their behalf, or pay their share of losses and liabilities which may arise in connection with the activities in which they have participated. Irrespective of whether or not bp controls or has direct oversight of third parties, we may still be pursued by regulators or claimants, and may still be the focus for interest groups or media attention in the event of an incident.

Digital, cyber security and data risk

Increasing reliance on digital infrastructure, growing AI adoption, and evolving cyber threats exposes bp and our third-party suppliers and contractors to data loss, infrastructure failures, or system compromise which could result in operational disruption, regulatory breaches, significant fines and reputational harm.

bp's digital infrastructure, data platforms, applications and connected technologies are core enablers to our businesses, operations, trading activities, customer engagement, and corporate functions. These systems face fast-evolving cyber threats – including ransomware, nation-state interference, and insider attacks – amplified by complex third-party ecosystems and AI-enabled technologies.

A breach or failure of our third-party supplier's or contractor's digital systems, including operational technology and cloud environments, could result in the loss, misuse, or compromise of sensitive data – including personal, operational, or commercial information.

The loss or misuse of data or sensitive information, including employees' and customers' personal data, injury to people, disruption to our business, harm to the environment or our assets, legal or regulatory breaches, may result in legal liability and significant costs including fines, cost of remediation or reputational consequences.

At the same time, the rapid advancement and scaling of generative and agentic AI – including predictive technologies – presents both significant opportunities and emerging systemic risk. Without clear organization-wide governance, bp may underperform, miss strategic upside, or fall behind on safe and compliant AI deployment.

Critical national infrastructure, data protection and privacy regulations – particularly in sensitive geographies – continue to grow, increasing expectations on security, data sovereignty, ethical use of AI, and accountability for data handling. This reflects the strategic importance of establishing and maintaining resilience, trust, and performance in a fast-digitizing environment. For more on cyber security see [page 360](#).

Climate change and the transition to a lower carbon economy

Developments in policy, law, regulation, technology and markets, including societal and investor sentiment, related to the issue of climate change and the transition to a lower carbon economy could increase costs, reduce revenues, constrain our operations and affect our business plans and financial performance.

Laws, regulations, policies, obligations, government actions, social attitudes and customer preferences relating to climate change and the transition to a lower carbon economy, including the pace of change to any of these factors, and also the pace of the transition itself, could have adverse impacts on our business including on our access to and realization of competitive opportunities, a decline in demand for, or constraints on our ability to sell certain products, constraints on production and supply, adverse litigation and regulatory or litigation outcomes, increased costs from compliance and increased provisions for environmental and legal liabilities.

Investor preferences and sentiment are influenced by ESG considerations including climate change and the transition to a lower carbon economy. Changes in those preferences and sentiment could affect our access to capital markets and our attractiveness to potential investors, potentially resulting in reduced access to financing, increased financing costs and impacts upon our business plans and financial performance.

Technological improvements or innovations that support the transition to a lower carbon economy, and customer preferences or regulatory incentives that alter fuel or power choices, could impact demand for our products (including low carbon energy).

Depending on the nature and speed of any such changes and our response, these changes could increase costs, reduce our profitability, reduce demand for certain products, limit our access to new opportunities, require us to write down certain assets or curtail or cease certain operations, and affect investor sentiment, our access to capital markets, our competitiveness and financial performance.

Policy, legal, regulatory, technological and market developments related to climate change could also affect future price assumptions used in the assessment of recoverability of asset-carrying values. This may affect whether there is continued intent to develop exploration and appraisal of intangible assets; the timing of decommissioning of assets; and the useful economic lives of assets used for the calculation of depreciation and amortization.

Competitiveness

Failure to maintain a competitive strategy, underpinned by a strong portfolio of assets, cost performance, innovative technology, projects and long-term growth opportunities, could negatively impact our investors' confidence in our ability to grow long-term shareholder value and returns.

We operate in an increasingly complex, fast-paced, ever-changing, competitive global energy market with evolving competitor strategies. As an integrated energy company, our ability to remain competitive with a compelling, differentiated proposition for stakeholders depends on the quality and agility of our strategic, commercial, and operational decisions and the execution of those decisions including those related to costs, capital allocation, innovation, technology adoption, portfolio development, customer propositions, and talent deployment.

We could be adversely affected if we fail to anticipate or respond effectively to rapid shifts in policy, consumer preferences, investor expectations, and disruptive competitor activity or fail to protect our intellectual property, increasing the risk of constrained operations and diminished returns, and shareholder expectations.

Ineffective communication of our strategic direction and a compelling value proposition could undermine stakeholder confidence and investor expectations of bp's long-term value.

Talent, leadership and organizational capability

Failure to retain, develop, and attract the talent, leadership, capabilities and behaviours required to deliver our strategy could weaken performance, culture, and long-term value creation.

To manage our costs competitively and build our resilience, we look to simplify and digitalize our processes while evolving our skills and capabilities, in line with our strategy and global market trends. Failure to manage change and transfer knowledge appropriately could decrease efficiency, weaken performance and increase costs.

We face growing competition for high-calibre talent across a diverse set of business and function portfolios, and a broad set of geographies.

Expectations around organizational culture, ways of working, leadership behaviours, and career development opportunities must be balanced with disciplined performance and shared values and behaviours. Failure to attract, develop and retain the right talent, could result in delivery shortfalls, diminished competitiveness, and erosion of stakeholder trust. For more on our people see [page 56](#).

Safety and operational risks

Process safety, personal safety and environmental risks

bp's operations and business activities are exposed to a wide range of safety, operational integrity, and environmental risks – particularly under growing complexity and delivery intensity – which could result in major incidents that harm people or the environment, disrupted operations, damage to bp's reputation, legal liability, undermine our financial standing or threaten our licence to operate.

bp operates in complex and high-risk environments where process safety, personal safety, occupational health, technical integrity, transportation, marine operations, and environmental risks could result in major incidents with significant human, environmental, financial, and reputational consequences. As a result, we could face regulatory action and legal liability, including penalties and remediation obligations, increased costs and, potentially, denial of our licence to operate.

Despite safety controls, barriers, and management systems, failures may still occur due to technical breakdowns, equipment failure, human error, extreme (acute or chronic) weather and climate-related factors, or third-party actions.

Risk exposure is heightened during drilling, production, marine transport and logistics, pipeline operations, project construction or maintenance activities – especially in environmentally sensitive (e.g. areas of water scarcity, biodiversity), remote or geologically complex locations, or where infrastructure reliability and emergency response capabilities are constrained. These risks extend to both the public and our workforce and contractors, including physical safety, life-saving rule violations, and occupational health exposures such as chemical, biological, psychosocial, or infectious risks.

Past incidents across the industry have resulted in fatalities, significant spills, long-term environmental damage, large-scale remediation costs, and lasting reputational harm. bp's ability to maintain the technical integrity of its assets, retain its licence to operate and meet stakeholder expectations, depends on consistently high performance in safety and environmental execution across the portfolio.

As bp continues to scale delivery across a more diversified portfolio it remains essential that safety systems, controls, and organizational safety culture are maintained and strengthened at every level of the business to prevent serious failures, provide operational continuity, and uphold trust with stakeholders.

→ [Safety, page 55](#)

Security

Hostile acts such as terrorism, civil unrest, armed conflict, sabotage, activism, piracy, insider threats, workplace violence, cyber-enabled physical attacks, or threats to personnel security such as kidnapping or detention could harm our people, disrupt operations, compromise critical assets, or damage our reputation.

Security threats may emerge or intensify in response to geopolitical instability, conflict, or state-linked activity that could target critical infrastructure or supply chains. They may also be politically, ideologically, or financially motivated and influenced by regional instability, activism, social unrest, or bp's presence in higher-risk geographies. Increasing interdependence between cyber, information, and physical domains may create additional vulnerabilities across operational technology, logistics, and data-driven systems.

Assets such as pipelines, terminals, transportation routes, offshore platforms, and operational-technology systems could be particularly exposed. The risk of insider activity – including unauthorized data access, sabotage, or information leakage – is also a continuing concern, particularly in complex joint ventures or politically sensitive environments.

The consequences of a major security incident could include operational shutdown, financial loss, workforce harm, legal costs and liabilities or reputational damage. More broadly, a significant incident could disrupt supply chains, invite regulatory scrutiny, or adversely affect confidence in bp's ability to operate safely and reliably in challenging environments.

Product quality

Failure to supply products to customers, meet technical specifications or regulatory standards could lead to harm, operational disruption, reputational damage, or legal and financial consequences.

bp provides products – including fuels, lubricants, petrochemicals, biofuels, and consumables – that meet technical specifications, regulatory requirements, and customer expectations. We operate a complex global value chain spanning production, refining, blending, transportation, and delivery. Failures may arise at any point in this chain due to contamination, formulation errors, process deviation, mislabelling, equipment failure, or inadequate quality assurance.

Product quality risks may originate upstream (e.g. formation variability, production chemistry), midstream (e.g. blending inconsistencies, custody transfer), or downstream (e.g. additives, packaging, distribution). Failures can result in safety incidents, environmental harm, damage to customer equipment, product recalls, legal liability, and loss of brand trust.

As customer expectations and regulatory regimes evolve – particularly regarding decarbonized and high-integrity products – maintaining end-to-end product integrity is critical to safeguarding our reputation, maintaining brand trust, securing market access, and protecting long-term commercial relationships. Widespread or high-profile failures could result in product recalls, legal exposure, or reputational harm – especially in regulated or safety-critical sectors.

Principal risks and uncertainties (Risk factors) continued

Compliance and control risks

Legal, regulatory and ethical compliance

Ethical misconduct, non-compliance with law and regulation or changes in law and regulation could increase costs, constrain our operations and affect our strategy, business plans and financial performance. Incidents of ethical misconduct or non-compliance could also damage our reputation and result in litigation, regulatory action, penalties and potentially affect our licence to operate.

Incidents of ethical misconduct or non-compliance with applicable laws and regulations, including anti-bribery and corruption, competition and antitrust, data privacy, and anti-fraud laws, trade restrictions or other sanctions, could damage our reputation, and result in litigation, regulatory action, penalties and potentially affect our licence to operate. In relation to trade restrictions or other sanctions, current geopolitical factors have increased these risks.

Our businesses and operations are subject to the laws and regulations applicable in each country, state or other regional or local area in which they occur. These laws and regulations result in an often complex, uncertain and changing legal and regulatory environment for our global businesses and operations. Changes in laws or regulations, including how they are interpreted and enforced, can and do impact all aspects of our business.

Royalties and taxes, particularly those applied to our hydrocarbon activities, tend to be high compared with those imposed on similar commercial activities. In certain jurisdictions there is also a degree of uncertainty relating to tax law interpretation and changes.

Governments may change their fiscal and regulatory frameworks in response to public pressure on finances or for other policy reasons, resulting in increased amounts payable to them or their agencies.

Changes in law or regulation could increase the compliance and litigation risk and costs, reduce our profitability, reduce demand for or constrain our ability to sell certain products, limit our access to new opportunities, require us to divest or write down certain assets or curtail or cease certain operations, or affect the adequacy of our provisions for pensions, tax, decommissioning, environmental and legal liabilities.

Changes in laws or regulations could result in the nationalization, expropriation, cancellation, non-renewal or renegotiation of our interests, assets and related rights. Potential changes to pension or financial market regulation could also impact funding requirements of the group. Following the Gulf of America oil spill, we may be subjected to a higher level of fines or penalties imposed in relation to any alleged breaches of laws or regulations, which could result in increased costs.

Financial and physical commodity trading activities

We undertake physical and financial trading across global commodity and financial markets. Risk associated with our trading activities could arise from a failure to maintain robust oversight, controls, and disciplined execution in our trading activities which could result in business disruption, financial loss, regulatory action, or reputational damage.

We conduct physical and financial trading across global commodity and financial markets, both on exchange and 'over the counter', some of which are financially regulated activities. Our trading activities expose us to multiple risks, including market, credit, operational, conduct, liquidity and regulatory risks. Failure to maintain effective oversight and controls, and disciplined execution in our trading activities, could result in business disruption, financial loss, reputational harm, regulatory intervention, and/or impair our ability to operate.

There is a risk that a single trader or a group of traders could act outside of our delegations and controls, leading to regulatory intervention and resulting in financial loss, fines and potentially damaging our reputation, and could affect our permissions to trade.

Integrity of financial and non-financial reporting

Failure to maintain integrity in financial and non-financial reporting may result in material misstatement or regulatory breach, which could lead to regulatory action, legal liability and reputational damage.

The accuracy and reliability of our external reporting depends on the strength of our internal control environment, the robustness of our systems and data governance, and our people.

Failure to accurately report our data – including financial results, sustainability and environmental, social and governance disclosures, reserves estimates, and operational performance – could lead to regulatory action, legal liability, investor action and reputational damage.

How we manage principal risks and uncertainties

How we manage principal risks and uncertainties

bp manages its principal risks and uncertainties through our system of internal control (described earlier in this section). The following pages set out the key risk management activities for each principal risk.

There can be no certainty that our risk management activities will mitigate or prevent these, or other risks, from occurring. Further details of the principal risks and uncertainties faced are set out on [page 62](#).

Strategic and commercial risks

Commodity prices and market environment: We seek to manage this risk through market analysis and strategic scenario planning, which inform our portfolio, business development, and capital allocation decisions. This analysis draws on internal and external data sources provided by our global energy and trading insights teams (supply, trading & shipping (ST&S) and economics & energy insights). Outputs are integrated into our planning and investment governance processes and reviewed regularly by management.

We assess the implications of price, margin, and exchange rate volatility across a range of scenarios and test the robustness of investment cases against changing macroeconomic and regulatory assumptions. The *bp Energy Outlook* is updated annually to reflect shifts in policy, demand, and trade patterns.

Our strategy is designed to remain resilient across a wide range of market conditions. This is supported by a diversified portfolio, a disciplined financial frame, and an ongoing focus on capital efficiency and investment flexibility.

Accessing and producing hydrocarbon resources: We seek to manage this risk through our subsurface teams in production & operations (P&O) and gas & low carbon energy, who have responsibility for accessing and progressing hydrocarbons resources. The teams are accountable for delivering high-value resources to support our strategic and financial goals. They work closely with technology and other enabling functions to assess resource potential, prioritize opportunities, and advance viable projects. P&O executes capital and operational activities and is accountable for safe, competitive, and efficient delivery.

Risk management is embedded through our Operating Management System (OMS) and a suite of supporting frameworks embed quality, control, and investment discipline. These include the Exploration Common Process, Discovered Resource Management, Area Development Planning, and the Group Investment Assurance and Approvals Process (GIAAP). Together, they guide how we identify, evaluate, approve and deliver access and development opportunities. Data often enables our ability to pivot and adjust plans after a materialized risk.

This risk is monitored through established governance and management processes, including regular review of performance indicators, assurance outcomes, and incident learnings, with escalation through appropriate executive and board-level forums where required.

→ [Our strategy, page 8](#)

Major project delivery: We seek to manage this risk through a structured, disciplined approach to investment appraisal, project execution, and performance governance. Our projects organization exists to assess, develop, and execute projects across bp, providing deep technical expertise in capital delivery, design, execution, and integration. It operates under a globally aligned Project Delivery Common Process, adapted to project size, complexity, and risk.

Major projects are subject to rigorous assurance throughout the lifecycle – from early framing and appraisal through to commissioning and performance evaluation. Defined stage gates, verification reviews, and central investment governance provide disciplined decision making and alignment to strategic objectives.

A structured management of change process enables any technical, commercial, or scope variations can be assessed, approved and documented through appropriate governance channels, helping to protect cost, schedule and safety integrity.

Within the design phase of our projects, we consider metocean criteria against historic and projected models and environmental impact factors.

Investments are evaluated against a balanced set of investment criteria – for example, assessment of economics includes a set of price assumptions that reflects our view of market evolution and the economics of all investment cases where bp's share of annual greenhouse gas (GHG) emissions from operations are anticipated to exceed certain thresholds include a carbon price for those emissions.

Oversight is maintained through performance reviews, supplemented by discipline checks, post-project evaluations, and capital forecasting cycles. Cross-functional forums provide alignment between project, commercial, and procurement functions. This governance framework enables consistent assurance, early identification of delivery challenges, and investment decisions aligned with strategic and performance expectations.

Note: Large-scale digital or transformation programmes that interface with capital delivery are assessed through equivalent governance and assurance to protect schedule, cost, and performance integrity.

How we manage principal risks and uncertainties continued

Geopolitical exposure: We seek to manage this risk through intelligence and international advisory, which integrates geopolitical horizon scanning, strategic and baseline threat assessments, deal-specific risk support, and the New Country Entry process. Together, these mechanisms support real-time decision making, portfolio resilience, and longer-term strategic investments.

Our geopolitical advisory council provides an independent perspective on macro-level geopolitical trends.

At an operational level, we have defined government-relations and stakeholder-engagement processes that seek to maintain trusted relationships in host countries. Where appropriate, risk mitigation and contingency plans are developed, and ongoing monitoring is overseen through intelligence, security and crisis management.

Liquidity, capital access and financial resilience: We seek to manage this risk through a combination of governance, planning, and treasury controls, including:

Financial frame governance provides a disciplined approach to capital allocation, balance sheet strength, and investment priorities. This helps bp maintain a resilient dividend, a strong investment-grade credit rating, and a clear hierarchy of capital uses, supported by regular board and group financial risk committee review.

Our disciplined Liquidity Management Framework (LMF), which is embedded within the treasury function and reviewed regularly by senior management, defines clear thresholds for undrawn committed credit facilities, minimum cash buffers, liquidity stress testing parameters, and monitoring routines. The LMF also integrates our Commercial Paper (CP) programme, governs the investment of treasury cash with defined exposure limits, and connects with the capital markets team to issue securities that sustain cash levels.

Together, these frameworks help create a strong, flexible balance sheet, preserve access to capital markets, and enable us to respond effectively to external shocks or market disruptions.

→ [Liquidity and capital resources, page 338](#)
[Financial statements – Note 29](#)

Partner and third-party risk: We seek to manage partner and third-party risk, including exposure from non-operated joint ventures, contractors, and sub-contractors, through a combination of governance, self-verification & oversight, assurance, and commercial controls designed to provide proportionate oversight and influence where bp does not have operational control.

For joint ventures, accountability for day-to-day oversight rests with the business unit or function holding bp's equity interest, supported by non-operated joint venture solutions, which provides guidance on risk exposure management, strategic governance, self-verification & oversight, and assurance. Exposure in non-operated joint ventures is monitored through a risk barometer, periodic risk reviews, and targeted assurance activities, with escalation to executive or board-level committees where appropriate.

For contractors, suppliers, and other third parties, we apply a structured procurement framework. This includes pre-engagement and ongoing due diligence covering financial stability, legal compliance, anti-bribery and corruption (ABC), labour practices, cyber security, and sustainability performance. Supplier relationships are tiered (transactional, core, strategic) to provide proportionate oversight, and key contracts embed our expectations and standards on safety, ethics, and operational integrity.

We review and, where appropriate, enhance governance arrangements for strategic partnerships, capital-light ventures, and high-exposure third parties as part of our established oversight cycle to confirm that assurance and engagement are commensurate with bp's level of influence and potential exposure.

Together, these measures support informed oversight of our third-party relationships and help protect bp's delivery, integrity, and reputation where operational control is limited.

Digital, cyber security and data risk: We seek to manage this risk through an approach aligned with global standards, including the National Institute of Standards and Technology Cybersecurity Framework, as well as our internal requirements for cyber security, digital infrastructure, data privacy, and responsible AI. Our controls span cyber defence tools, resilience testing, third-party oversight, and ethical data governance.

We continuously monitor the evolving threat landscape and emerging technologies – including AI, quantum computing, and cloud infrastructure – to identify potential vulnerabilities and disruptors. Cyber threat detection, security testing, and ethical hacking are supported by incident response protocols and a delegated authority model to isolate or disconnect operations when needed. We actively manage our resilience capability and maturity, with the ability to activate protocols to restore systems and data to protect prioritized critical business outcomes while minimizing disruption.

We collaborate with government bodies, law enforcement, and industry peers to track and respond to fast-evolving threats. We reinforce a culture of digital responsibility through employee training, exercises (including prolonged IT outage scenarios) to test response and recovery procedures, and executive-level briefings. Regular maturity assessments and operational reviews help track organizational resilience across infrastructure, data, and third-party digital dependencies.

→ [Cyber security disclosures, page 360](#)

Climate change and the transition to a lower carbon economy: Developments in policy, law, regulation, technology and markets, including societal and investor sentiment, related to the issue of climate change and the transition to a lower carbon economy could increase costs, reduce revenues, constrain our operations and affect our business plans and financial performance.

Risks associated with climate change and the transition to a lower carbon economy impact many elements of our strategy and, as such, these risks are managed through key business processes including setting the bp strategy and annual plan, capital allocation and investment decisions. The outputs of these key business processes are reviewed in line with the cadence of these activities. See [page 47](#) for more information on how transition risks and opportunities are managed.

→ [Climate-related financial disclosures, page 41](#) and [Financial statements – Note 1 and Note 33](#)

Competitiveness: We seek to manage this risk jointly through our investor relations and competitor insights (IR&CI) and strategy teams.

The IR&CI and strategy teams work closely with communications and external affairs teams, business teams and functions to support the shaping of our future strategy by gathering and synthesizing market and sector intelligence and investor sentiment and analysing our performance through competitor benchmarking.

Our strategy team evaluates longer-term trends and monitors macro themes as we seek to maintain a distinct competitive advantage that underpins our value proposition.

Through market updates, analyst calls, investor meetings, media outreach and our corporate reporting, IR&CI communicates and engages with investors and stakeholders to gather feedback, address concerns, and monitor shifts in investor sentiment. This informs any necessary adjustments to our portfolio, capital allocation, technology and performance required to keep pace with current and future market demands.

The articulation of our unique value proposition and strategic priorities to investors, analysts, and other stakeholders builds understanding and confidence in how we are seeking to grow value and returns, and navigate risks, by adapting and capitalizing on opportunities in a fast-changing environment.

Talent, leadership and organizational capability: We seek to manage this risk through global, scalable talent strategies, which can effectively adapt and support the resourcing needs of bp's strategy. Our people, culture & communications team works in partnership with business leaders to attract, develop and retain the capabilities needed to deliver our strategy.

Strategic workforce planning is supported by market intelligence, people analytics, and scenario modelling to assess talent supply, demand, and future skills needs. Robust talent acquisition frameworks and early careers programmes help to build a pipeline of diverse and critical skills, while targeted learning platforms and leadership offers support continuous development.

We embed clear succession planning and performance development processes to identify and support high-potential individuals, with emphasis on building leadership depth and capability across the organization. Employee listening mechanisms such as the annual Pulse survey, culture assessments, and behavioural insight tools help assess engagement, cultural alignment, and employees' resilience to change.

Knowledge transfer and changes in accountability are managed through a robust management of change process. bp's culture is embedded with bp's code of conduct and our culture frame 'Who we are'.

→ [People, page 55](#)

Safety and operational risks

Process safety, personal safety, and environmental risks: We seek to manage process safety, personal safety, and environmental risks through our Operating Management System★ (OMS), which defines the standards and systematic practices for safe, reliable, and compliant operations. Key activities include inspection, maintenance, testing, incident investigation, and workforce competency development. It provides a risk-based framework for identifying, assessing, and mitigating hazards throughout the lifecycle of our operations.

Our dedicated wells organization applies consistent processes for well design, construction, and management. Production & operations plays a central role in managing safety and environmental risks across hydrocarbon operations. It is accountable for maintaining safe, compliant, and reliable performance and promotes a strong safety culture across sites and partners.

These activities are supported by regular monitoring, assurance and review through bp's established management and governance processes, with escalation where exposure changes or issues arise.

→ [Safety, page 55](#)

Security: We seek to manage this risk through bp's global Security Risk Management Framework, which provides structured processes for identifying, assessing, and mitigating security threats (including those linked to geopolitical instability or hybrid conflict) at both strategic and operational levels. The framework integrates oversight from intelligence, security and crisis management (ISC) and is supported by our network of business security representatives.

Key components include the Unified Risk Picture threat assessment methodology, which provides consistent visibility of priority risks and vulnerabilities across the group; insider risk management processes addressing unauthorized access, sabotage, and data exfiltration; executive protection protocols for high-profile personnel; security governance and policy standards aligned with industry best practice; technology assessments that keep site security infrastructure fit-for-purpose, and rigorous compliance with the Voluntary Principles on Security and Human Rights.

The framework operates under a defined governance structure with regular reviews by the ISC, annual risk assessments, and periodic assurance reviews. It also supports bp's crisis management and business continuity planning, which provides co-ordinated preparedness and response to potential security incidents across regions and assets. Where appropriate, emerging activism, misinformation, or social unrest trends are monitored to anticipate and manage potential threats to bp's people and operations.

Product quality: We seek to manage product quality risk across our global value chain by our operating businesses, working in close partnership with the applied sciences quality assurance team. We use a structured Product Quality Framework aligned with our Operating Management System, which includes quality standards, risk assessments, incident management, and assurance processes. Where necessary, we apply industry-specific or enhanced internal standards, particularly in sectors such as aviation.

This risk is monitored through established governance and management processes, including regular review of performance indicators, assurance outcomes, and incident learnings, with escalation through appropriate executive and board-level forums where required.

How we manage principal risks and uncertainties continued

Compliance and control risks

Legal, regulatory and ethical compliance: With support of our businesses and functions, we seek to identify, assess and manage legal and regulatory risks relevant to bp's operations, strategy, business plans and financial performance. To support this work, we seek to develop co-operative relationships with governmental authorities in line with our code of conduct, to allow appropriate focus on areas of potential risk or uncertainty, while also protecting bp's interests within the law.

Our code of conduct, the foundation of our culture frame 'Who we are', is applicable to all employees and central to managing this risk. Additionally, we have group requirements and training covering areas such as anti-bribery and corruption, anti-money laundering, competition/anti-trust law, data privacy and international trade regulations. We offer an independent confidential helpline, 'OpenTalk', for employees, contractors and other third parties, with the option to raise concerns anonymously.

Financial and physical commodity trading

activities: We seek to manage risks associated with financial and physical commodity trading through dedicated risk control frameworks with defined delegated authorities, monitoring, and oversight structures.

Trading is conducted by authorized personnel operating within approved mandates and limit structures. Activities and associated risks are actively managed and monitored, in line with the group-wide three lines of defence model which includes independent risk and compliance functions. As part of this risk model, robust control frameworks, risk-based monitoring, exception reporting and escalation protocols are in place.

→ **Financial statements – Note 29**

Integrity of financial and non-financial reporting

reporting: We seek to manage this risk through group-wide financial and non-financial reporting, control and assurance frameworks designed by our finance organization. The control operation and assurance activities within these frameworks are executed at multiple levels within our businesses and functions, following a 'line-of-defence' model.

For financial reporting, we apply bp's Sarbanes Oxley (SOx) Management Assessment Framework, which includes annual control testing; deficiency evaluations and reporting; an annual acknowledgement process confirming performance of control owner accountabilities; quarterly representations from our businesses and functions; and enterprise-level control assessments.

For non-financial reporting, we follow our ESG and non-financial reporting (ESG-NFR) control and assurance framework, which includes help to determine the appropriate level of control and assurance activity to be applied, annual due diligence with control owners and pre-publication reviews.

We also maintain a Fraud Risk Management Governance Framework to identify, assess and mitigate the risk of fraudulent activity.

As reporting expectations and requirements evolve under various frameworks and regulations in the UK and in other jurisdictions, we continue to review and enhance, as needed, our reporting controls, approach to assurance and approach to disclosure.

Compliance information

bp non-financial and sustainability information statement

Produced in compliance with Sections 414CA and 414CB of the Companies Act. Information incorporated by cross reference.

Requirement	Relevant policies and standards	Information related to policies and any due diligence processes
a Environmental matters	<ul style="list-style-type: none"> Net zero aims TCFD Sustainability frame Biodiversity position (online) 	<ul style="list-style-type: none"> Climate-related financial disclosures - pages 41-54 People and planet - page 59 Our Operating Management System★ (OMS) - page 55 Decision making by the board - page 81
b Employees	<ul style="list-style-type: none"> bp values and code of conduct (online) 	<ul style="list-style-type: none"> Our people - page 56 Safety - page 55 Our values ('Who we are') and code of conduct - pages 57-58 Employee engagement (Pulse annual and Pulse live employee surveys) - page 57 How the board engaged with stakeholders (workforce) - page 80
c Social matters	<ul style="list-style-type: none"> Sustainability frame 	<ul style="list-style-type: none"> Our Operating Management System★ (OMS) - page 55 Improving people's lives - page 59 Decision making by the board - page 81
d Respect for human rights	<ul style="list-style-type: none"> Business and human rights policy (online) Modern slavery statement (online) Labour rights and modern slavery principles (online) Code of conduct (online) 	<ul style="list-style-type: none"> Improving people's lives - page 59 Human rights - page 59 Our values ('Who we are') and code of conduct - pages 57-58
e Anti-corruption and anti-bribery	<ul style="list-style-type: none"> Anti-bribery and corruption policy Code of conduct (online) 	<ul style="list-style-type: none"> Ethics and compliance - page 58 Our partners in joint arrangements - page 56
Description of principal risks relating to matters (a-e above)		<ul style="list-style-type: none"> How we manage risk - pages 67-70 Risk factors - page 62 TCFD (climate-related risk management) - pages 44-45
Relevant information		
Business model description	<ul style="list-style-type: none"> Business model - page 12 	
Description of non-financial KPIs	<ul style="list-style-type: none"> Measuring our progress - pages 16-17 	

TCFD index table^a

Our TCFD disclosures can be found on the following pages.

TCFD Recommendation	TCFD Recommended Disclosure	Where reported
Governance Disclose the organization's governance around climate-related issues and opportunities.	a Describe the board's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> Page 44
	b Describe management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> Page 45
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning where such information is material.	a Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<ul style="list-style-type: none"> TCFD Strategy a, page 46 Pursuing a strategy that is consistent with the Paris goals, page 10 Strategy, page 8 Risk factors, page 67
	b Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<ul style="list-style-type: none"> TCFD Strategy b, page 46 Risk factors, page 67 - description of principal risks Strategy, page 8
	c Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> TCFD Strategy c, page 49 Strategy, page 8 Pursuing a strategy that is consistent with the Paris goals, page 10
Risk management Disclose how the organization identifies, assesses and manages climate-related risks.	a Describe the organization's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> Risk Management, page 44 How we manage risk, page 60 Risk factors, page 67
	b Describe the organization's processes for managing climate-related risks.	<ul style="list-style-type: none"> Risk Management, page 44 How we manage risk, page 60
	c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<ul style="list-style-type: none"> Risk Management, page 44 How we manage risk, page 60 Risk factors, page 67
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> TCFD metrics and targets, page 54
	b Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	<ul style="list-style-type: none"> GHG emissions data, page 38
	c Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> Our net zero aims and targets, pages 37-38

a We consider the information in our TCFD disclosures, taken together with our climate-related non-financial KPIs on pages 16-17 of this report, to be compliant with the disclosure requirements of Section 414CB of the Companies Act, as amended by the UK CFD Regulations.

Section 172 statement

In accordance with the requirements of Section 172 of the Companies Act 2006 (the Act), the directors consider that, during the financial year ended 31 December 2025, they have acted in a way that they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, having regard to the likely consequences of any decision in the long term and the broader interests of other stakeholders, as required by the Act.

→ For more information in support of this statement, see [board activities, page 78](#), [our stakeholders, page 80](#) and [key decisions, page 81](#)

The strategic report was approved by the board and signed on its behalf by Ben J.S. Mathews, company secretary, on 6 March 2026.

Corporate governance

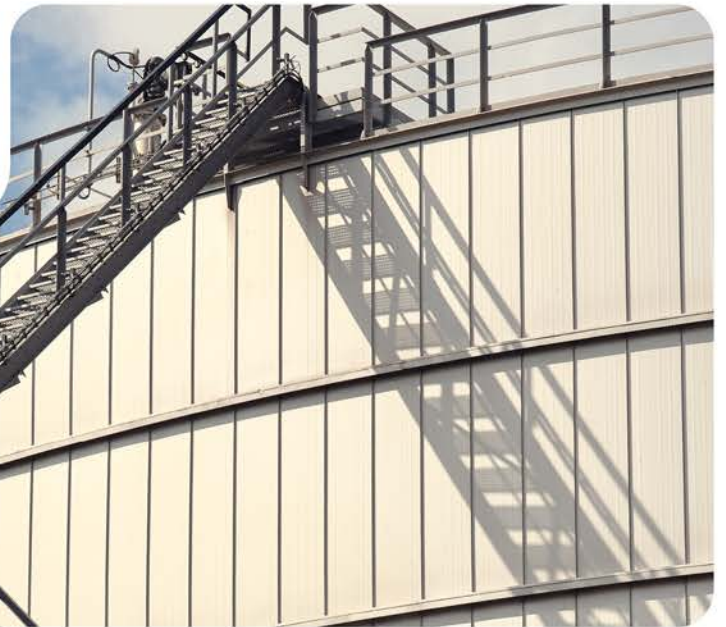
"In early 2025 the board's focus moved from the resetting of strategy to overseeing disciplined performance and the delivery of our four primary financial targets."

Albert Manifold
Chair

→ [Read Albert's letter on page 4](#)

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Image: Rotterdam refinery, Netherlands



Board composition

Board gender diversity

	March 2026	March 2025
Female	6	6
Male	7	5

46%
of directors are female

Board ethnic diversity

	March 2026	March 2025
White	10	8
Asian	3	3

3
directors who identify as from a minority ethnic background

Non-executive directors' tenure

	March 2026	March 2025
1-3 years	4	3
4-6 years	6	5
7-9 years	1	1

→ [Board biographies, page 73](#)

Board of directors

As at 6 March 2026



Albert Manifold
Chair

Appointed Board: 1 September 2025;
chair: 1 October 2025

Nationality Irish

External appointments

- Non-executive director at LyondellBasell Industries.
- Non-executive director at Mercury Engineering.
- Adviser to Clayton Dubilier & Rice.

Significant past appointments

- A number of senior positions at CRH plc over a 28-year career, including chief executive officer from January 2014 to December 2024.
- Chief operating officer of Allen McGuire & Partners.

Key skills and experience

- Extensive experience of driving a business through exceptional growth and strategic transformations, leading to profitability and cash generation, and consistently improving returns to shareholders.
- Certified public accountant and a chartered accountant. Holds a master of business administration and a master's in business studies, both from Dublin City University.



Carol Howle
Interim chief executive officer

Appointed 18 December 2025

Nationality British

External appointments

- Non-executive board member of the Royal Navy.

Significant past appointments

- Various senior leadership roles at bp, including executive vice president, supply, trading & shipping and chief operating officer for integrated supply and trading, oil.

Key skills and experience

- With 25 years at bp, Carol has a deep knowledge of the company and extensive experience in the energy industry. Carol is also a non-executive board member of the Royal Navy and chair of the Navy Audit and Risk Assurance Committee.



Kate Thomson
Chief financial officer

Appointed 2 February 2024

Nationality British

External appointments

- Board member of Aker BP since 2016.
- Main committee member of The 100 Group.

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 bp group in tax, treasury and commercial finance.



Dame Amanda Blanc
Independent non-executive director

Appointed 1 September 2022

Nationality British

External appointments

- Group CEO of Aviva plc.
- Member of the Association of British Insurers Board.
- Member of the UK Government's British Infrastructure Taskforce.

Significant past appointments

- CEO of Europe, Middle East, Africa & Global Banking at Zurich Insurance Group.
- Group CEO at AXA UK, PPP & Ireland.
- Several senior executive roles across the insurance industry.
- Member of the Prime Minister's Business Council.
- Member of HMT National Wealth Fund Taskforce.

Key skills and experience

- Brings wide-ranging board experience with strong industry and regulatory connections having previously been Chair of the Association of British Insurers.
- Combines the experience of leading insurance businesses in the UK and Europe with being a member of HM Treasury's Business Infrastructure Taskforce.



Tushar Morzaria
Independent non-executive director

Appointed 1 September 2020

Nationality British

External appointments

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

Key

- Executive director
- Non-executive director
- Leadership team member

Committee members key

- Committee chair
- S Safety and sustainability committee
- A Audit committee
- P People, culture and governance committee
- R Remuneration committee

For further detail on the directors' climate change and sustainability experience, see the TCFD section on **page 41**, and further biographical information for each director is available online at:

bp.com/whoware

Board of directors continued

Ian Tyler
Independent
non-executive director



Appointed 1 April 2025

Nationality British

External appointments

- Chair of Grafton Group plc.
- Senior Independent Director of Anglo American plc.
- Chair of BMT Group Ltd.
- Member of KPMG Public Interest Committee

Significant past appointments

- Served as chair of Affinity Water Limited, AWE Management Limited, Al Noor plc, Amey UK plc, Vistry Group plc (formerly Bovis Homes Group) and of Cairn Energy plc.
- Non-executive director of BAE Systems plc, VT Group plc, Mediclinic plc, Cable & Wireless Communications plc, and Synthomer plc.
- CEO and finance director positions at Balfour Beatty plc.

Key skills and experience

- Extensive executive and non-executive experience across multiple industries.
- Recent experience leading the remuneration committees of some of the UK's largest quoted companies.

Melody Meyer
Independent
non-executive director



Appointed 17 May 2017

Nationality American

External appointments

- Non-executive director of AbbVie Inc.
- Non-executive director of Airswift Parent LLC.
- President of Melody Meyer Energy LLC and Women with Energy LLC.
- Director of the National Bureau of Asian Research.
- Advisory board member of McKinsey Advancing With Excellence.
- Trustee of Trinity University.

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.

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.

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.

Hina Nagarajan
Independent
non-executive director



Appointed 1 March 2023

Nationality Indian

External appointments

- President of Diageo Africa.
- Executive Director and Vice Chairperson of East African Breweries PLC and Member of Board Nomination and Remuneration Committee.
- Member of the Global Executive Committee of Diageo plc.

Significant past appointments

- Leadership positions at United Spirits Limited (Diageo India), Reckitt, Mary Kay India and Nestlé India with over 30 years' experience 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.
- Board member of The Advertising Standards Council of India.
- Director and Co-Chair of International Spirits and Wines Association of India.

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.

Dave Hager
Independent
non-executive director



Appointed 2 June 2025

Nationality American

External appointments

- none.

Significant past appointments

- Leadership positions at the Oryx Energy Company.
- Executive vice president and later chief operating officer of Kerr-McGee.
- Board memberships with EnLink Midstream and Pride International Inc.
- Various senior leadership roles at the Devon Energy Corporation, including executive chairman, 2021 to 2013.
- Director of MRC Global Inc.

Key skills and experience

- Over 40 years' experience in the oil and gas industry.
- Deep-rooted knowledge of the US upstream oil and gas industry.



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 sectors.
- Vice president of sales at Netscape Communications Corporation, 1995 to 1998.
- Senior executive roles at E.piphany from 1998, including CEO, 2003 to 2006.
- Non-executive director of BT plc, 2011 to 2018.
- Director of Worldpay Inc. (Worldpay Group plc), 2016 to 2019.
- Chair of Origin Materials Inc., 2021 to 2024.

Key skills and experience

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



Simon Henry
Independent non-executive director

Appointed 1 September 2025

Nationality British

External appointments

- Advisor to the Board of Oxford Flow Ltd.
- Member of the Board of the Audit Committee Chairs' Independent Forum.

Significant past appointments

- Non-executive director of Rio Tinto plc between 2017 and 2025.
- Directorships with Harbour Energy plc, Lloyds Banking Group plc and PetroChina Ltd.
- Various senior executive and leadership roles at Shell, including chief financial officer from 2009 to 2017.

Key skills and experience

- Extensive career in energy industry internationally with broad experience of the global upstream and downstream energy industry.
- Wide-ranging expertise and experience with financial and commercial understanding of global markets.



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 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 independent advice and support to the plc board and the boards of all 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.

	Board meeting attendance		Committee membership				Skills and experience							
	Scheduled	Ad hoc	Audit	Remuneration	People, culture and governance	Safety and sustainability	Society, politics and geopolitics	Technology, digital and innovation	People leadership and organizational transformation	Operational excellence and risk management	Global business leadership and governance	Finance, risk and trading	Energy markets	Climate change and sustainability
Non-executive directors														
Albert Manifold (Chair) ^{a,b}	3/3	2/2			●		●		●		●	●		●
Helge Lund (Chair) ^a	6/6	2/2			●		●		●		●		●	●
Dame Amanda Blanc	8/8	5/5		●	●		●		●		●	●		●
Pamela Daley ^{a,c}	2/4	1/2	●	●							●	●	●	
Dave Hager ^{a,b}	4/4	2/2				●			●		●	●	●	●
Simon Henry ^a	3/3	2/2					●	●	●		●	●	●	●
Tushar Morzaría ^{b,c}	8/8	4/5	●	●				●	●		●	●		
Melody Meyer ^c	8/8	4/5		●		●			●		●		●	●
Hina Nagarajan ^c	6/8	5/5	●		●			●	●		●		●	●
Satish Pai ^c	8/8	4/5				●		●	●		●		●	●
Karen Richardson ^c	8/8	4/5	●					●	●		●	●		
Dr Johannes Teysen	8/8	5/5			●	●		●	●		●	●	●	●
Ian Tyler ^{a,b}	6/6	3/3	●	●				●	●		●	●		
Executive directors														
Carol Howle (CEO) ^a	0/0	0/0												
Murray Auchincloss (CEO) ^a	8/8	5/5												
Kate Thomson (CFO)	8/8	5/5												

● Chair of the committee ● Member of the committee

a Board changes: The appointments to the board were Ian Tyler (1 April 2025), Dave Hager (2 June 2025), Simon Henry (1 September 2025), Albert Manifold (1 September 2025; chair of the board from 1 October 2025) and Carol Howle (18 December 2025). Pamela Daley (7 July 2025), Helge Lund (30 September 2025), and Murray Auchincloss (18 December 2025) stepped down. Each director attended all board meetings following their appointment or prior to their retirement from the board, as applicable.

b Committee changes: Tushar Morzaría chaired the remuneration committee until 16 April 2025; Ian Tyler became remuneration committee chair from 17 April 2025 and joined the audit committee from 2 June 2025; Helge Lund chaired the people, culture and governance committee (PCGC) until 30 September 2025; Albert Manifold was appointed chair of the PCGC from 1 October 2025; and Dave Hager joined the safety and sustainability committee from 10 December 2025.

c Attendance exceptions: Pamela Daley was unable to attend the scheduled meetings in April and May, and the ad hoc meeting in February due to personal reasons; Tushar Morzaría was unable to attend the ad hoc meeting in February due to a pre-existing external commitment; Melody Meyer was unable to attend the ad hoc meeting in October due to a pre-existing external commitment; Hina Nagarajan was unable to attend the scheduled meetings in March and September due to pre-existing external commitments; Satish Pai was unable to attend the ad hoc meeting in February due to a pre-existing external commitment; and Karen Richardson was unable to attend the ad hoc meeting in December due to a pre-existing external commitment.

Leadership team

Gordon Birrell
EVP production
& operations



Leadership team tenure Appointed on 1 July 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.

Emma Delaney
EVP customers
& products



Leadership team tenure Appointed on 1 July 2020

Nationality Irish

Board memberships

Director of RBML limited

Career summary

Emma has spent 30 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.

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, which also includes brand, global transformation, health and wellbeing and workplace. Prior to her current role, she headed HR for bp's upstream business and served as group chief talent officer, alongside senior HR roles in supply, trading and corporate functions. Kerry began her career with an apprenticeship and worked across several sectors in Europe and Asia before joining bp in 2010.

Emeka Emembolu
EVP technology



Leadership team tenure Appointed on 18 April 2024

Nationality British

Board memberships

None

Career summary

Emeka is EVP of Technology at bp, leading digital, safety, security and science to advance innovation and safeguard the business. He has spent over 25 years with bp, previously serving as chief of staff to the CEO and leading the North Sea business as regional SVP. His earlier roles span senior technical roles across the Gulf of America, Canada, North Africa and Alaska.

William Lin
EVP gas & low
carbon energy



Leadership team tenure Appointed on 1 July 2020

Nationality American

Board memberships

William serves on the supervisory board of Corbion, a publicly listed biotechnology company where he chairs the sustainability & safety committee and sits on the audit committee. He also chairs the board of JERA Nex bp, a global offshore wind developer and is vice-chair at Pan American Energy Group, Argentina's largest independent energy company.

Career summary

William has worked at bp for 30 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.

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.

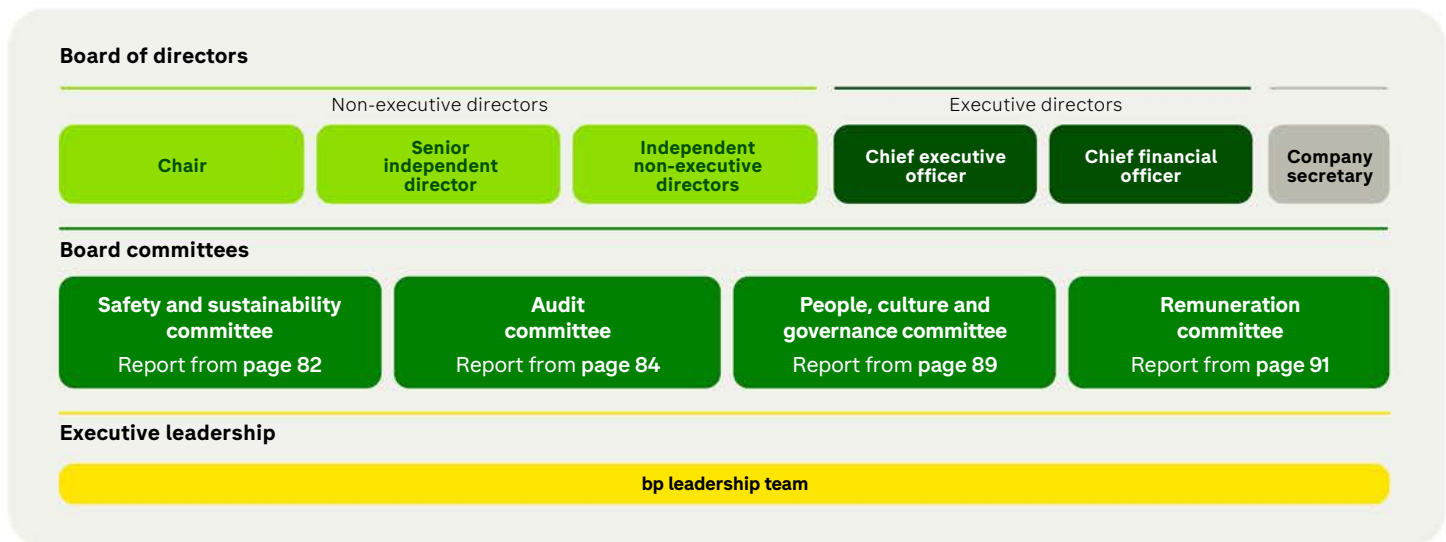
Carol Howle
EVP supply, trading
& shipping



Carol Howle is also part of the bp leadership team in her role as EVP supply, trading & shipping.

You can read her bio on [page 73](#).

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 to the company's stakeholders and the consequences of the decisions it takes 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 role includes monitoring culture and reviewing the effectiveness of the company's system of internal control.

More detailed information about the board's activities is available from [page 78](#).

Delegation of authority

There are four main committees of the board, each operating under delegated responsibilities which are outlined in their respective terms of reference available at bp.com/governance.

Day-to-day management of the business is delegated by the board to the chief executive officer (CEO), who in turn is advised and supported by a leadership team (bpLT) comprising seven individuals who are accountable to her for their respective business or functional areas, with defined financial authority levels. Decisions are taken by the CEO in the execution of the operational responsibilities delegated to her by the board.

For example, the CEO's authority includes a limit on the nature and type of investments, capital expenditure★ and financial commitments she may take in isolation. Any matters that exceed this limit, or that go beyond the annual plan or approved strategy, constitute 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 board committees operate under terms of reference which are reviewed periodically.

The chair of each committee routinely reports to the full board on their activities and, where applicable, makes 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 effective governance in matters such as performance management and succession planning.

Chair

- As chair, Albert Manifold leads the board and is accountable to shareholders 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)

- Amanda Blanc acts as a sounding board for the chair and, if necessary, as an intermediary for other directors and investors.

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)

- In her capacity as interim CEO, Carol Howle is responsible for the design and implementation of bp's strategy and annual plan, which are ultimately approved by the board.
- In accordance with the authorities delegated to her, the CEO implements the system of internal control and is responsible for setting policies, standards and procedures that foster bp's culture and values. In this regard, she is accountable to the board which oversees the effectiveness of the internal control framework.

Chief financial officer (CFO)

- Our 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, changes to and compliance with board procedures, and monitors regulatory requirements. He also supports the chair in providing timely, accurate and clear information to the board.

Further information on specific board roles is available at bp.com/governance.

Board activities: promoting long-term sustainable success

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

Strategy and performance

Strategic direction ^{TCFD}

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

Macroeconomics ^{TCFD}

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

Annual plan

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

Financial frame and distributions

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

Capital expenditure

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

Mergers and acquisitions pipeline

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

Acquisition reviews

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

Offsites

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

Technology

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

Safety and sustainability ^{TCFD}

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

Principal risks

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

Internal controls

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

Board activity highlights

January and February:

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

March and April:

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

May and June:

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

People

Engagement

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

Culture

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

Succession planning

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



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

Governance

Board composition and director changes

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

Corporate governance framework

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

Director training and knowledge sessions

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

Board performance review

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

Investor engagement

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

Key: TCFD Recommendations and Recommended Disclosures

Board activity highlights

July and August:

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

September and October:

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

November and December:

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

Our stakeholders

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



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

Stakeholders key

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

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

Further information on the board's activities and key decisions, including how stakeholder interests have been considered, can be found on [pages 78–80](#) and [page 81](#).

Fostering mutual understanding

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

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

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

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

Promoting balanced perspectives

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

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

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

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

Delivery of strategy guided by stakeholder perspectives

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

→ [See more on key decisions, page 81](#)

Building trust in bp

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

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

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

Opportunities for collaboration

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

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

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

Benchmarking progress

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

Key decisions

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

Strategy and performance ^{TCFD}

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

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

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

Stakeholders considered



Leadership transition

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

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

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

Stakeholders considered



Expanding production capacity

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

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

Stakeholders considered



Castrol divestment approval

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

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

Stakeholders considered



Safety and sustainability committee



“The committee provided disciplined oversight of safety, security and sustainability across the business.”

Melody Meyer
Safety and sustainability committee chair

Meetings and attendance

The committee met five times during 2025. Regular attendees included EVP production and operations; SVP safety and operational risk assurance; SVP intelligence, security and crisis management; SVP digital security; SVP HSE and carbon; and SVP global ethics and compliance.

	Five scheduled meetings
Non-executive directors	
Melody Meyer: member (from May 2017), chair of the committee (from November 2019)	5/5
Dave Hager: member (from December 2025)	0/0
Satish Pai: member	5/5
Johannes Teyssen: member ^a	4/5

^a Johannes Teyssen was unable to attend the scheduled meeting in September 2025 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 2025.

During 2025, the committee provided disciplined oversight of safety, security, and sustainability across the business, with a strong emphasis on risk management and operational excellence. This included overseeing progress in the implementation of Process Safety Improvement Plans (PSIPs) in certain businesses, conducting deeper dives on both process and personal safety, reviewing personal and cyber security, and considering operational integrity. The committee also reviewed the principal safety risks and associated mitigations, and received updates on the integration of bp’s safety standards into newly acquired businesses.

Tragically, four colleagues lost their lives during 2025. We extend our sincere condolences to the families, friends and colleagues of all of those impacted.

One fatality occurred in our *Thorntons* retail business and three occurred in separate incidents in our TravelCenters of America (TA) business during roadside assistance activities. During the incident investigation, and permanently thereafter, all highway roadside assistance activities were suspended in our TA business. As with all major incidents, the committee received reports on the incident investigation findings and the actions taken in response.

Following the company’s strategy reset in February 2025, the committee provided oversight on the implementation of the five refreshed sustainability aims: net zero operations; net zero sales; people; biodiversity; and water. For more information see [page 37](#).

During 2025, members of the committee participated in a site visit to Whiting refinery in the US. This site visit provided the opportunity to have open and constructive dialogue with employees and observe bp’s safety and sustainability culture and performance in action.

As I reach the end of my nine-year term on the board and as chair of the committee, I want to express my sincere appreciation for the high level of engagement, transparency and commitment demonstrated across bp in advancing safety performance, sustainability and operational excellence.

Looking forward to 2026, the committee will focus its oversight on maintaining the good progress and continuous improvement in safety performance and the implementation of bp’s Operating Management System★ within recently acquired businesses.

Role of the committee

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

Key responsibilities

The committee’s full terms of reference can be viewed at bp.com/governance.

Melody Meyer
Committee chair
6 March 2026

Activities during the year

Overseeing improved safety performance

The committee continued to oversee safety performance, supporting management's progress in reducing combined tier 1 and 2 process safety events★. During 2025, combined tier 1 and tier 2 safety performance improved, with combined process safety events being 29% lower than in 2024.

The committee received regular reports from the EVP production and operations on safety and operational performance, incident reviews, and on the mitigation of principal and emerging safety risks around the business. It also received updates from management on the implementation of PSIPs in certain businesses and updates on personal security improvements, including the integrity of crisis management and business continuity processes.

Deep-dive updates regarding significant or material events and specific risk areas within the business were also received. The committee challenged management on the root cause and learnings from these incidents and how learnings are embedded into existing safety processes.

Providing challenge on risk management

The committee provides independent challenge to management on the effectiveness of the processes and procedures implemented to manage safety and sustainability risk. This is achieved through regular review and monitoring of the principal risks allocated to it by the board and through deep-dives on key risk areas including wells, process safety, marine risk, product quality, pipeline risk, transportation risk, maintenance integrity, cyber security, ethics and compliance, and regulatory compliance.

Further deep-dives were undertaken into specific areas of risk within the business covering risk management and safety performance in newly acquired businesses, such as TravelCenters of America, Archaea Energy and bp bioenergy. This provided the committee with enhanced oversight of the integration of bp's Operating Management System★ into newly acquired businesses.

The committee routinely received:

- Updates on the activities of internal audit, focused on operational safety audits, together with an annual report on bp's system of internal control. This provides an independent view on management's safety and sustainability performance, as well as an independent assessment of key challenges and risk areas.

Briefings from the SVP global ethics and compliance on emerging areas of risk and associated mitigations, including increased reports of external threats affecting retail operations.

Reports on cyber security risks and the effectiveness of mitigation processes, including identification of emerging cyber risks from AI and geopolitical events.

The committee also continued its joint engagement with the audit committee through combined updates on non-operated joint venture safety and sustainability.

Oversight of sustainability matters

Refreshing bp's sustainability frame ^{TCFD}

The committee reviewed and endorsed a refreshed sustainability frame with five aims: net zero operations; net zero sales; people; biodiversity; and water. Progress against these aims was monitored through regular updates from management. In 2025 focused deep-dives were undertaken into each pillar of the sustainability frame, with focus on management's plans to address areas of more challenged delivery.

Human rights and global reporting landscape

The committee reviewed progress on mitigations in human rights and modern slavery. It also kept abreast of the current global sustainability reporting environment, including bp's plans for compliance through reporting from management.

Sustainability and safety linked remuneration targets

The committee made recommendations to the remuneration committee regarding safety and sustainability targets and outcomes that are tied to remuneration. This included critically analyzing current methodologies for the setting of targets to ensure they remain appropriately stretching, and incorporated changes to the sustainability frame announced in February 2025.



Whiting refinery visit

During the visit to the Whiting refinery, the S&SC members were briefed on infrastructure upgrades, with particular emphasis on enhancements to electrical systems and the refinery's continued focus on safety, reliability and continuous improvement.

The S&SC members also took a driving tour of the refinery to gain a deeper understanding of its operational footprint and integration with the local community. The visit provided an opportunity for the Whiting team to demonstrate their critical role in bp's integrated value chain and commitment to operational excellence.

Image: Whiting refinery, US

Audit committee



“The committee had particular focus on advancing digital transformation initiatives.”

Tushar Morzaria
Audit committee chair

Meetings and attendance

The committee met eight times during 2025. Regular attendees included the chief financial officer (CFO), group controller, SVP internal audit, EVP legal and the external auditor.

Non-executive directors	Eight scheduled meetings
Tushar Morzaria: member (from September 2020), chair of the committee (from May 2021)	8/8
Pamela Daley ^a : member (until 7 July 2025)	2/4
Karen Richardson: member	8/8
Hina Nagarajan ^b : member	7/8
Ian Tyler: member (from 2 June 2025)	4/4

^a Pamela was unable to attend the meetings in April and May due to personal reasons.

^b Hina was unable to attend the meeting in September due to pre-existing external commitments.

Chair’s introduction

Dear fellow shareholders,

I am pleased to present the audit committee report for the year ended 31 December 2025.

Financial reporting remains central to the committee’s responsibilities – monitoring its integrity, overseeing management’s control procedures and evaluating 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 involves acting on behalf of the board and co-ordinating input from other committees as needed, including reporting and making recommendations to the board.

In 2025 the committee maintained its oversight of bp’s reporting processes, with particular emphasis on advancing digital transformation initiatives and monitoring their implementation progress.

Among its many activities during the year, the committee has monitored progress against bp’s 2027 \$4-5 billion structural cost reduction target. In addition, the committee is overseeing the mandatory external audit tender, with the tender process expected to conclude during 2026.

As the regulatory environment evolves, the committee remains engaged with management to oversee bp’s approach to new reporting requirements, with particular focus on the new UK Corporate Governance Code 2024, provision 29 readiness. The committee also monitored management’s plans for the implementation of financial and non-financial reporting developments.

In September 2025 the committee visited bp’s supply, trading and shipping business in Canary Wharf, London. The visit included a tour of the trading floors and business briefings, with a particular focus on the energy and commodities trading operations. Read more on [page 85](#). 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 2026.

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 359](#) and the full terms of reference can be viewed at bp.com/governance.

Tushar Morzaria
Committee chair
6 March 2026

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. During 2025, Ian Tyler was appointed as a member of the committee, further strengthening the committee’s financial expertise.
- 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.

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 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 carefully considered and, where appropriate, constructively challenged relevant underlying assumptions and supporting analysis.

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 report was fair, balanced and understandable. These documents were 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 reviewed supply, trading and shipping business performance.

The session focused on the refined products trading and shipping interface, LNG and power benches as well as key and emerging market, operational and geopolitical risks.

- The committee reviewed the affordability of proposed 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, reflecting developments such as to the UK's Economic Crime and Corporate Transparency Act.
 - an update on compliance with new business regulations, together with additional briefings during the year on technical accounting updates and developing ESG disclosures. ^{TCFD}
- The committee remained focused on regulatory developments, including receiving updates on the consideration of enhancements to bp's risk management and internal control framework as a result of the UK Corporate Governance Code 2024, 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 127-128**. The committee also discussed internal controls and financial reporting processes during the year, challenging control gaps identified, root cause analysis and remediation actions, and reviewing progress towards addressing deficiencies that had previously been identified in relation to manual journal controls. Tier II control gap reporting was introduced at each scheduled meeting. Further details on internal controls in place for financial reporting can be found on **page 360**.

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. ^{TCFD}



Canary Wharf site visit

During the audit committee's tour in September of the supply, trading and shipping (ST&S) floors in Canary Wharf, London, the directors met internal stakeholders based there, hearing from colleagues in gas & power and refining & products trading.

Image: Audit committee members at our Canary Wharf office, London, UK

Audit committee continued

Overseeing the relationship with external and internal audit

- During the year, the FRC's Audit Quality Review (AQR) team selected Deloitte's audit of the Company's Annual Report and Accounts for the year ended 31 December 2024 as part of its annual inspection of audit firms. The review was assessed as 'limited improvements required' with only one other finding identified. The chair of the committee received a full copy of the FRC's report, and discussed it with Deloitte. The committee confirmed that there were no significant areas for improvement identified, no key findings within the report and was satisfied that there is nothing within the report which might have a bearing on the audit appointment.
- On the recommendation of the committee, the board will propose the reappointment of Deloitte as the company's external auditor to shareholders at the 2026 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 concluded that it 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. During 2025, following the 2024 audit, the external auditor undertook an auditor effectiveness review. The process comprised a series of interviews with senior stakeholders within bp who engage with the audit team on a regular basis. Stakeholder feedback reflected a positive view of the quality and effectiveness of the audit. 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. 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 130-148](#).

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). During the year the committee agreed an approach, timeline and selection criteria for a re-tendering of audit services that is anticipated will be completed by the end of 2026, for the 2028 audit.

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 2025 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 group controller or the CFO. More information is outlined in the principal accountant's fees and services on [page 361](#).

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

Key accounting judgements and estimates	Audit committee activity	Conclusions/outcomes
Impact of climate change and the energy transition ^{TCFD}		
Climate change and the transition to a lower carbon economy may have significant impacts on the currently reported amounts of the group's assets and liabilities and on similar assets and liabilities that may be recognized in the future.	<ul style="list-style-type: none"> Reviewed management's best estimate of oil and natural gas price assumptions for value-in-use impairment testing and investment appraisal. Reviewed management's determination that its best estimate of oil and natural gas prices is in line with a range of transition paths consistent with the goals of the Paris climate change agreement. 	<ul style="list-style-type: none"> Management's revised best estimates of oil and natural gas prices are in line with a range of transition paths consistent with the goals of the Paris climate change agreement. See Financial statements – Note 1 for more details on how bp applies carbon pricing in its impairment testing, sensitivity analyses estimating effects of changes in net revenue and changes in the expected timing of decommissioning.
Provisions		
The group holds provisions primarily for decommissioning, environmental remediation and litigation. The most significant provision is for the future decommissioning of oil and natural gas production facilities and pipelines. Estimation uncertainty exists as most of these events are many years in the future. Assumptions are made by bp in relation to cost estimation, settlement dates, technology, legal requirements and discount rates. There is also a risk that decommissioning obligations from previously divested assets revert to bp.	<ul style="list-style-type: none"> Received briefings on decommissioning (including the process for managing the risk of decommissioning reversion), environmental, asbestos and litigation provisions. These included the requirements, governance and controls for the development and approval of cost estimates and provisions in the financial statements. Reviewed and challenged the group's discount rates for calculating provisions. 	<ul style="list-style-type: none"> Decommissioning provisions of \$12.3 billion were recognized on the balance sheet at 31 December 2025. The discount rate used by bp to determine the balance sheet obligation at the end of 2025 was a nominal rate of 4.5% based on long-dated US government bonds. The discount rate remains unchanged from the prior year.
Recoverability of asset carrying values		
Determination as to whether and how much an asset (including exploration intangibles), cash generating unit (CGU) or group of CGUs containing goodwill is impaired involves management judgement and estimates on uncertain matters such as future commodity prices, discount rates, production profiles, reserves and the impact of inflation on operating expenses. Judgement is required to determine whether it is appropriate to continue to carry intangible assets related to exploration costs on the balance sheet.	<ul style="list-style-type: none"> Reviewed policy and guidelines for compliance with oil and gas reserves disclosure regulation, including the group's reserves governance framework and controls. Reviewed and challenged the group's oil and gas price assumptions. Reviewed and challenged the group's discount rates for impairment testing purposes. Impairment charges, reversals and 'watch-list' items were reviewed in the quarterly due diligence process. 	<ul style="list-style-type: none"> The group's price assumption for Brent oil and for Henry Hub gas were updated as set out on page 20 and Financial statements – Note 1. Sensitivity analyses estimating the effect of changes in net revenue and discount rate assumptions have been disclosed in Financial statements – Note 1. Net impairment charges of \$5.2 billion as disclosed in Financial statements – Note 4. Exploration intangibles totalled \$4.0 billion at 31 December 2025.
Taxation		
Computation of the group's income tax expense and liability, the provisioning for potential tax liabilities and the level of deferred tax asset recognition are underpinned by management judgement and estimation of the amounts which could be payable. Judgement is also required when determining whether a particular tax is an income tax or another tax type.	<ul style="list-style-type: none"> Received regular updates on the group's tax risk exposures and deferred tax asset recognition. Reviewed the judgements exercised over tax risk provisioning as part of its annual review of key provisions. 	<ul style="list-style-type: none"> Deferred tax assets of \$4.3 billion were recognized on the balance sheet at 31 December 2025. The calculation of tax risk provisions is consistent with IAS 37 and IFRIC 23.
Pensions		
Accounting for pensions and other post-employment benefits involves making estimates when measuring the group's pension plan surpluses and deficits. These estimates require assumptions to be made about uncertain events, including discount rates, inflation and life expectancy.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> At 31 December 2025, surpluses of \$7.8 billion and deficits of \$4.8 billion were recognized on the balance sheet in relation to pensions and other post-employment benefits. The method for determining the group's assumptions remained largely unchanged from 2024. 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.

Audit committee continued

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

Key accounting judgements and estimates	Audit committee activity	Conclusions/outcomes
Supplier finance arrangements		
<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"> Received a briefing on the group's supplier finance arrangements. Reviewed the group's proposed enhanced disclosures in relation to Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: disclosures' relating to supplier finance arrangements. 	<ul style="list-style-type: none"> bp had liabilities of \$5.6 billion, \$1.4 billion and \$1.0 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 2025. The disclosures required by the Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: disclosures' relating to supplier finance arrangements are included in Financial Statements – Note 29.
Derivatives		
<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"> Received a briefing on the group's trading risks and reviewed the system of risk management and controls in place. Reviewed the control process and risks relating to the trading business. Received updates on accounting judgements on LNG contracts. 	<ul style="list-style-type: none"> bp has assets and liabilities of \$20.1 billion and \$18.2 billion, respectively, recognized on the balance sheet for level 3 derivative financial instruments at 31 December 2025, mainly relating to the activities of the supply, trading & shipping function. bp's use of internal models to value certain of these contracts has been disclosed in Financial Statements – Note 1. bp considers that contracts to buy or sell LNG do not meet the definition of a derivative under IFRS.

People, culture and governance committee



“2025 has been a busy year for the committee, with a strong focus on board succession.”

Albert Manifold
People, culture and governance committee chair

Meetings and attendance

The committee met five times during 2025. The CEO and EVP people, culture & communications regularly attend these meetings.

Non-executive directors	Five scheduled meetings
Albert Manifold: member (from September 2025); chair of the committee (from October 2025)	1/1
Helge Lund: member (until September 2025); chair of the committee (until September 2025)	4/4
Dame Amanda Blanc: member	5/5
Dr Johannes Teyssen: member	5/5
Hina Nagarajan: member	5/5

Chair’s introduction

Dear shareholders,

I am pleased to present the people, culture and governance committee report for the year ended 31 December 2025, my first since being appointed as board chair and as chair of the committee on 1 October 2025.

2025 has been a particularly busy year for the committee, with a strong focus on board succession.

In support of the strategy reset in February 2025 and to fill current and anticipated vacancies on the board, the committee undertook a search process to identify new board members who would bring the additional skills and experience required as bp embarked on its next chapter. The search process resulted in three new non-executive directors being appointed:

- Ian Tyler was appointed on 1 April 2025, succeeding Tushar Morzaria as chair of the remuneration committee with effect from 17 April 2025 and becoming a member of the audit committee from 2 June 2025.
- Dave Hager joined the board on 2 June 2025 and became a member of the safety and sustainability committee with effect from 10 December 2025.
- Simon Henry joined the board on 1 September 2025.

In April 2025, Helge Lund informed the board of his intention to step down as chair. Pamela Daley informed the board in July 2025 that she would also be standing down from the board. During the year, Murray Auchincloss also informed the board of his openness to step down as CEO.

Comprehensive search processes were undertaken by separate committees of the board in connection with these decisions.

In turn, this led to my own appointment as a non-executive director from 1 September 2025, succeeding Helge as chair of the board and of this committee on 1 October 2025. It also resulted in the appointment of Meg O’Neill as CEO with effect from 1 April 2026, with Carol Howle being appointed as interim CEO with effect from 18 December 2025 until Meg joins the board.

Further information on these search processes is provided on [page 90](#).

In addition to board succession matters, during 2025, the committee continued its focus on culture, reviewing feedback from the workforce engagement sessions that took place during the year and the results of the annual and live employee pulse surveys to gauge employee sentiment.

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 of the board. The committee oversees the development of a diverse pipeline for executive succession to the board and leadership team through continuous succession planning and monitoring development plans for bp leaders and beyond.

The committee tracks 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.

Albert Manifold

Committee chair
6 March 2026

Diversity statistics and outcomes

As at 31 December 2025, 46% of the board were women, three senior board positions were held by women and three directors identified as being from a minority ethnic background. For further details on board and leadership team diversity, in line with the UK Listing Rules, see [page 126](#).

As at 31 December 2025, senior management, defined as the leadership team (being the first layer of management below board level) and the company secretary^a, and their direct reports, comprised 44% women (2024 50%) and 22% Black, Asian and other ethnic minority individuals (2024 29%).

^a As defined in the UK Corporate Governance Code 2024.

People, culture and governance committee continued

Activities during the year

Succession planning

Chair and CEO succession

The board established two committees to lead the selection processes for the company's next chair and CEO. The committee that led the search process for the new chair was chaired by Dame Amanda Blanc, joined by Melody Meyer, Hina Nagarajan and Johannes Teysen as members. The committee that led the search process for the CEO was chaired by Albert Manifold, joined by Dame Amanda Blanc, Dave Hager, Karen Richardson, and Ian Tyler as members.

Executive search consultants, Egon Zehnder^a, were appointed to support both processes by identifying suitable candidates to replace Helge Lund and Murray Auchincloss against role specifications agreed by the respective committees and the board. Each role specification set out the skills, experience, diversity and knowledge required for each role, including leadership capability, industry, sector, safety and operational expertise.

Shortlisted candidates were invited to interviews with members of each committee. The preferred candidates for each role were then invited to meet the full board.

The board appointed Albert Manifold as a non-executive director and chair designate with effect from 1 September 2025 and as chair of the board and this committee with effect from 1 October 2025.

The board appointed Meg O'Neill as CEO with effect from 1 April 2026. Carol Howle was appointed as interim CEO with effect from 18 December 2025 until Meg joins the board. See [page 81](#) for further information on the decision-making process and stakeholder considerations.

The board and committees

As part of the ongoing process to refresh the board and to ensure it has the right balance of skills, experience, and diversity needed to meet the company's current and future priorities, the committee agreed the criteria for three new non-executive roles. The criteria focused on candidates primarily from the UK and US with industry, sector, safety and operational experience, including, in the case of the remuneration committee leadership, remuneration committee expertise and the ability to lead complex remuneration considerations for a complex global company such as bp.

Suitable candidates for each role were identified against the agreed role profiles with support from Egon Zehnder^a and shortlisted candidates were invited to interview with members of the committee.

This process resulted in the board approving the committee's recommendations to appoint

Ian Tyler, Dave Hager, and Simon Henry as new non-executive directors.

During the year, the membership of the board committees was also reviewed. As a result, Ian Tyler was appointed as chair of the remuneration committee with effect from 17 April 2025 and as a member of the audit committee from 17 April 2025. Dave Hager was appointed as a member of the safety and sustainability committee with effect from 10 December 2025.

bp's leadership team

The committee oversees development plans for bp's senior leaders and emerging talent and their alignment with executive succession planning over various timescales. Development plans identify the desired breadth and depth of experience and roles required to bolster the skills of individuals with executive potential.

Diversity

Better decision making and outcomes are achieved when people with differences of opinion and with different backgrounds come together with a common ambition. The committee periodically reviews the board's diversity, equity and inclusion (DE&I) policy.

The board's 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 gender and ethnicity representation targets for the board that are aligned with the UK Listing Rules. Read more at bp.com/governance.

Oversight of culture and the voice of the workforce

The committee oversees employee engagement, leading and lagging indicators of culture, and how culture is being embedded. This includes monitoring feedback from the workforce engagement programme (WFEP) and private sessions with bp's SVP, ethics and compliance (E&C), who has accountability to, and direct channels of communication with, the committee. The committee is responsible for approving the appointment and termination of the SVP, E&C and reviews and recommends their remuneration to the remuneration committee.

The WFEP continued during 2025 with directors engaging with employees across multiple regions and from different disciplines on topics including leadership and culture, safety (including retail safety), transformation, and remuneration. Insights from these sessions are collated and shared with the board, strengthening its consideration of workforce views in board discussions and the decisions it ultimately takes. The committee continues to consider that the WFEP is the most appropriate mechanism for workforce engagement, given the activities and structure of bp. Read more on [page 80](#).

Board performance

The externally facilitated board performance review in 2024 highlighted the continuing importance of succession planning to drive the delivery of the reset strategy. Building on the outputs from the 2024 review, the board appointed three new non-executive directors and introduced enhanced performance reporting by management during the year. This reporting was supplemented by a programme of insight sessions, providing the board with in-depth briefings from leaders of the businesses with the greatest impact on the delivery of strategy.

The CEO's performance review is conducted by the chair, with input from the senior independent director. Given the short tenure of Albert Manifold, a performance review of the chair was not undertaken in 2025. This process is usually led by the senior independent director.

Helge Lund's decision to step down from the board in April 2025 and the appointment in September 2025 of his successor offered an opportunity, alongside the board's established performance-evaluation processes, for the continuing directors to reflect on the roles and performance of the board and its committees. This in turn influenced the skills, experience and leadership credentials that were sought from the new board chair and, then also, the new CEO.

Ultimately, having appointed Albert Manifold as chair from 1 October 2025 and Meg O'Neill as new CEO from 1 April 2026, the board concluded that the process of the 2025 performance review for the board and its committees had been comprehensively undertaken. In view of this, a standalone supplementary performance review was therefore not warranted. Additionally, and since his appointment to the role, the chair held a series of one-to-one meetings with each non-executive director to discuss their reflections on the board's performance and that of its committees and individual board members.

Overall, the insights gathered from the 2025 performance review will inform the future needs and roles of the board and its respective committees, how they operate and the optimal composition of the board over the longer term.

Among the changes already in motion as a result of this review process, members of the leadership team routinely join board meetings to discuss safety, operational and financial performance, major projects and delivery of the four primary targets set out in the reset strategy. The introduction of a reporting dashboard during the year strengthened this enhanced board oversight of performance at a more granular level, by business group and against key metrics. This is being supplemented with additional scheduled board time for in-depth discussions on performance and portfolio composition.

^a The committee engaged Egon Zehnder in support of search activity for new board candidates. Egon Zehnder does not have any connection with the company or individual directors, save that Egon Zehnder provides advice and support on bp's executive development programme.

Directors' remuneration report



"2025 was a year of strong underlying financial and operational performance and we have made meaningful progress towards the strategic priorities announced in February 2025."

Ian Tyler

Remuneration committee chair

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 the remuneration of the chief financial officer (CFO) and other members of 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 nine times during 2025. Meeting attendance can be found below.

Non-executive directors	Seven scheduled meetings	Two ad hoc meetings
Ian Tyler: chair of the committee ^a	4/4	2/2
Tushar Morzaria: member ^a	7/7	2/2
Dame Amanda Blanc: member	7/7	2/2
Pamela Daley: member ^b	2/4	0/0
Melody Meyer: member	7/7	2/2

a Ian Tyler was appointed as remuneration committee chair from the conclusion of the 2025 AGM. Tushar Morzaria stepped down as interim remuneration committee chair from this date.

b Pamela Daley stepped down as a non-executive director and member of the remuneration committee on 7 July 2025.

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 359](#) and the full terms can be reviewed at [bp.com/governance](https://www.bp.com/governance).

Key areas of focus in 2025

- **Workforce engagement** – engaged with the wider workforce on performance, reward and wellbeing. This included holding a workforce engagement programme session in July 2025, 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 2025 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 the framework that was introduced in 2024 to help guide decisions going forward.
- **Change in leadership** – set the remuneration terms for the interim CEO and incoming CEO. Agreed the exit arrangements for the outgoing CEO.
- **Merit-based reviews** – reviewed pay for performance arrangements for the leadership population in line with bp's reward principles.

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Directors' remuneration report continued

Chair's introduction

Dear shareholders,

I am pleased to present the directors' remuneration report for the year ended 31 December 2025.

This is my first report as chair of the remuneration committee, having taken on the role from Tushar Morzaria on 17 April 2025. Having agreed to step into the role on an interim basis, I would like to thank Tushar for his leadership of the committee during this period.

The committee remains focused on ensuring our remuneration policy supports the delivery of bp's strategic priorities, aligning executive reward outcomes with sustainable long-term value creation for our shareholders. Constructive dialogue with our shareholders has been an important part of this process, and we are grateful for the insights shared during 2025.

We are asking shareholders to vote on two remuneration resolutions at bp's 2026 AGM:

- Our remuneration report, which presents remuneration outcomes for 2025 and how we intend to apply the policy in 2026.
- Our remuneration policy (the policy), which outlines the framework that will apply to our executive directors, non-executive directors and chair of the board.

Business performance

While performance over the three-year performance period for the EDIP was mixed, 2025 was a year of strong underlying financial and operational performance. bp delivered operating cash flow★ of \$24.5 billion, underpinned by disciplined capital allocation and efficiency with a 10% reduction in capital expenditure★ compared with 2024. Operationally, plant reliability★ and refining availability★ both exceeded 96%, reaching their highest levels on record.

We also made meaningful progress towards the strategic priorities set out in our reset strategy announced in February 2025. We established four primary targets through to the end of 2027: growing cash flow, improving returns, reducing costs and strengthening the balance sheet. We remain on track to deliver against these objectives.

During the year, we agreed the sale of a 65% shareholding in *Castrol*, which we expect to generate net proceeds of approximately \$6 billion, and completed the sale of our US onshore wind business. We also delivered \$2.0 billion of structural cost reductions★, strengthening our financial position and supporting continued delivery into 2026.

Incentive outcomes

2025 annual bonus

The scorecard for this cycle consisted of five measures; tier 1 and tier 2 process safety events★ (15% of award), operated carbon emissions (15%), reliability and availability (15%), modified free cash flow★ (30%) and structural cost reductions (25%).

Safety and sustainability

Within the annual bonus scorecard, safety performance is measured against the number of tier 1 and tier 2 process safety events each year (7.5% weighting each).

For 2025, we achieved a combined outcome of 87.5% of maximum for this measure. We reported five tier 1 process safety events during the year resulting in an outcome between target and maximum. Tier 2 performance was strong with a significant reduction in the number of events compared to prior year (22 events in 2025 compared to 35 events in 2024), resulting in a maximum outcome for this measure. This reflects our continued focus on process and personal safety.

However, we are deeply saddened by the four workforce fatalities during the year – three at *TravelCenters of America* and one at *Thorntons*. Further details of these fatalities are set out on [page 55](#).

In assessing the impact of the fatalities during the year, the committee was mindful of the total number of fatalities across the group and, with input from the safety and sustainability committee, reflected on the circumstances of each fatality. However, in line with our framework, the three fatalities at *TravelCenters of America* have been dealt with predominately at a local level – see [page 101](#) for further details. In respect of the group score, it was agreed that that a downward adjustment was justified when reflecting on the fatality at *Thorntons* and broader safety performance, and the entire bonus score was reduced by 4 points for all participants.

Sustainability performance was assessed against operated carbon emissions, which covers Scope 1 and 2 emissions based on bp's net zero operations aim. Our performance was strong and we delivered 1.6MteCO₂e ahead of our scorecard target, which resulted in an outcome of 73% of maximum.

Financial and operational

Under our financial and operational categories, bp delivered strong performance across all measures.

From an operational perspective, our performance was assessed against both plant reliability and refining availability. We achieved an outcome of 96.2% which resulted in an above target outcome.

Our financial performance was assessed against modified free cash flow and structural cost reduction. Modified free cash flow was \$12.4 billion, which resulted in the maximum outcome, reflecting our continued focus on strong capital discipline during 2025.

In line with our remuneration policy, the targets for modified free cash flow are adjusted for the actual commodity price environment to reflect underlying performance.

This was the first year that structural cost reductions were included in our scorecard. We delivered \$2.0 billion of cost reductions which resulted in performance between target and maximum.

Overall result

The formulaic annual bonus outcome, reflecting safety, operational and financial performance was therefore 1.63 out of a maximum of 2 (81.5% of maximum).

As described previously, the committee exercised its discretion to account for the fatalities during 2025 and reduced the formulaic outcome by 4 points to 1.59 out of 2 (79.5% of maximum).

2023-25 performance shares

The 2023-25 performance share scorecard was measured against relative TSR (20% weighting), return on average capital employed (ROACE)★ (20%), adjusted EBIDA per share compound annual growth rate (CAGR)★ (20%), sustainable emissions reductions (15%) and strategic progress (25%).

rTSR

bp placed fifth in the comparator group, resulting in nil vesting for this measure.

Financials

Financial performance was assessed against our returns and earnings measures and performed below the targets set at the start of the performance period, achieving nil vesting. The 2023-25 average ROACE was 15.4% and adjusted EBIDA per share CAGR was 9.8%.

Sustainability performance

We delivered Scope 1 and 2 greenhouse gas emissions reductions of 12.9% against our 2019 baseline. This resulted in an outcome between threshold and target, with vesting of 22% of maximum.

Strategic progress

Strategic progress was assessed using a combination of quantitative assessment (via financial KPIs) and qualitative judgement against the three strategic pillars set in 2023.

As set out in the 2024 directors' remuneration report, the committee also considered the strategic changes announced in 2023 and the Capital Markets Update in February 2025 when scoring performance against the original criteria.

We provide a detailed view of the committee's review of strategic progress on [pages 103-105](#).

Having considered the above, the committee determined that bp made strong progress over the three-year period and an outcome of 80% of maximum was felt appropriate for this measure.

Overall results

Overall, performance share vesting for the 2023-25 cycle was 23.3% of maximum. The committee believes that, given a large component of the strategic progress measures comprise financial KPIs, this outcome properly reflects achievement over the period and therefore has not applied any further discretion.

Board changes

In December 2025, Murray Auchincloss stepped down as CEO, and from the board, by mutual agreement. Remuneration decisions relating to Murray have been made in accordance with our shareholder-approved policy and contractual obligations, with full details provided on [page 113](#).

Carol Howle assumed the role of interim CEO on 18 December 2025, having previously served as EVP supply, trading & shipping. She will be succeeded by Meg O'Neill whose appointment as CEO takes effect from 1 April 2026.

Incoming CEO: Meg O'Neill

The committee has determined the remuneration package for the incoming CEO in line with our shareholder-approved remuneration policy, considering Meg's experience, external market benchmarks, shareholder expectations and broader operating environment.

Meg will receive a base salary of £1.6 million on appointment. This has been set at 2.5% above the salary level of her predecessor when taking into account the workforce salary increase that he would have been eligible for in April 2026. In reaching this decision, the committee considered Meg's proven track record as a high performing CEO within the sector and the experience and leadership credentials she will bring to lead bp through the next phase of its transformation journey.

Meg will receive standard benefits for an executive director, as provided for in the remuneration policy. These include a pension allowance of 20% of base salary aligned with the wider UK workforce. She will also participate in bp's annual incentive plans. There will be no change to the operation of our minimum shareholding requirement.

In line with our policy, Meg will receive relocation support to facilitate her move from Australia to the UK. She will also receive compensation for incentive awards forfeited on leaving her previous employer. Further details of Meg's joining arrangements are set out on [page 108](#).

Interim CEO: Carol Howle

Upon assuming the role of interim CEO on 18 December 2025, Carol's salary was set at £1.508 million aligned with the level of her predecessor. She will not be entitled to a salary increase in respect of 2026 and she will receive our standard executive benefits and pension provisions.

For 2026, Carol will be eligible to receive awards in line with our policy. She is also subject to bp's in- and post-employment minimum shareholding requirement from the date of appointment.

Looking ahead to 2026

Policy review

Our current remuneration policy was last approved in 2023 with 94% shareholder support. In line with the normal three-year cycle, we will be seeking approval for a revised policy at the 2026 AGM.

Over the past year, the committee has undertaken a detailed review of each element of the existing policy, assessing its effectiveness in incentivizing and rewarding the delivery of bp's strategy. We concluded that the current framework continues to allow us to set stretching, relevant and motivating short- and long-term performance measures, that are clearly aligned to the strategic priorities we expect leadership to deliver.

Accordingly, beyond a small number of updates to ensure continued alignment with evolving market practice, we are not proposing any significant changes at this time. We consulted with our top 30 shareholders, representing over 40% of our register, who were generally supportive of this approach for the 2026 AGM.

However, the committee is mindful that bp is progressing through the next stage of its transformation and therefore it is possible that further changes to our remuneration approach may be needed. Within this context, it may be that we will ask shareholders for approval of an updated policy ahead of the next required triennial vote. The remuneration committee will engage with bp's major shareholders on any such proposals in advance.

Annual pay review

Kate Thomson's base pay will increase by 3.5%, in line with the average increase in the UK. Adjustments in other jurisdictions will vary by local conditions.

Review of performance measures

As part of the broader policy review, the committee reflected on the performance measures used in our incentive scorecards and considered whether they remain aligned to the reset strategy announced in February 2025.

2026 annual bonus

To support the stretching goals within bp's reset strategy, the committee believes focus should be on sustained financial performance over the next year, with a particular lens on cash generation and cost reduction.

The scorecard categories and weightings have therefore been simplified, placing financial performance at the forefront (65% of award), supported by strong and sustained operational delivery (20%) and a continued focus on safety (15%). The underlying measures within the categories remain broadly unchanged from prior years and our framework on fatalities will continue to apply.

Progress towards bp's net zero operations aim will continue to be rewarded through our performance share plans rather than the annual bonus.

2026-28 performance shares

In line with the simplified structure of the annual bonus, the performance share plan has also been streamlined to ensure focus on the measures most critical to delivering our reset strategy.

For 2026-28, the scorecard will focus on the following key measures: shareholder returns (30% of award), cash generation (25%), ROACE (25%) and a continued focus on reducing Scope 1 and 2 operational emissions in line with bp's aim to reach net zero operations by 2050, or sooner (20%).

For the shareholder returns measure, the peer group has been reviewed for alignment with the reset strategy. The 2026-28 group will be simplified to five companies, focusing on the oil super majors who are considered our closest peers.

We have also broadened the underpin for our performance share awards. Going forward, the committee will take into consideration overall safety performance as well as ongoing progress towards a strong and resilient balance sheet when assessing final outcomes, providing further alignment with bp's long-term priorities.

Conclusion

2025 was a year of strong progress. Taking all circumstances into account, the committee believes that the overall remuneration outcomes are appropriate.

The committee remains committed to maintaining an open and transparent dialogue on remuneration matters with our shareholders. I would like to thank you for another year of constructive engagement and your continued support ahead of the 2026 AGM.

Ian Tyler

Chair of the remuneration committee
6 March 2026

Directors' remuneration report continued

Key performance highlights in 2025

\$24.5bn

operating cash flow ★
improved cash conversion

\$14.5bn

capital expenditure ★
10% YoY reduction

2.3mmboed

upstream ★ **production**
exceeded plan

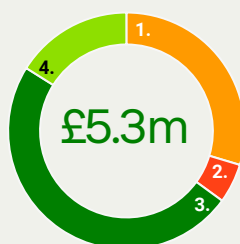
- Refining availability of 96.3% and plant reliability of 96.1% were highest on record.
- 7 major projects started up, 5 ahead of schedule.
- \$11bn completed or signed divestments, including \$6bn *Castrol* transaction.
- On track against primary targets set out in Capital Markets Update (February 2025).

Total remuneration in 2025

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

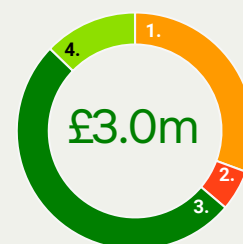
Single figure
Chief executive officer (outgoing)

35% Fixed
65% Variable pay



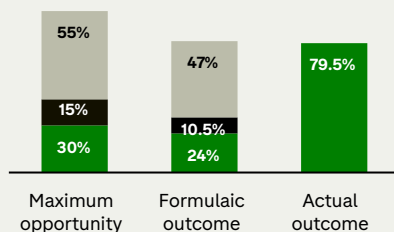
Single figure
Chief financial officer

36% Fixed
64% Variable pay



Pay outcomes in 2025

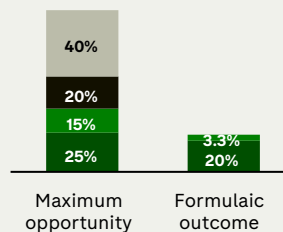
Annual bonus
(2025 ACB)



81.5% of maximum formulaic outcome

79.5% of maximum formulaic outcome actual outcome after exercise of discretion

Performance shares
(2023-25 EDIP)



23.3% of maximum formulaic outcome

- Safety and sustainability
- Operations ■ Financials

- Strategic progress ■ Sustainability
- rTSR ■ Financials

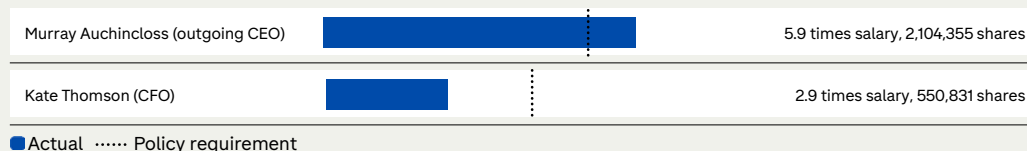
Application of discretion

The committee may exercise discretion in determining the outcomes of the annual bonus and performance shares, reflecting the broader stakeholder experience during the performance period. For 2025, downward discretion was applied and the 2025 ACB has been reduced by 4 points. Further details of the application of discretion have been set out on [page 101](#).

Alignment with shareholders

Share ownership

Share ownership aligns the interests of executive directors with those of shareholders.



Application of remuneration policy for 2026

Set out below is an illustration of how the remuneration policy will be implemented for 2026.

	2026	2027	2028	2029	2030	2031	2032	
Fixed pay (salary, pension and benefits)								<ul style="list-style-type: none"> Upon appointment, the incoming CEO's salary will be £1.6 million. For 2026, the CFO's salary will increase by 3.5%, from £864k to £894k, in line with the wider workforce average.
Annual bonus^a								<ul style="list-style-type: none"> CEO max opportunity: 225% of salary. CFO max opportunity: 225% of salary. For 2026, the scorecard has been simplified to focus on safety, operational and financial performance (see below).
Performance shares								<ul style="list-style-type: none"> CEO max opportunity: 500% of salary. CFO max opportunity: 450% of salary. Similarly to the annual bonus, the 2026-28 scorecard has been simplified with an increased focus on emissions reductions, financial and shareholder return measures (see below).
Shareholding requirement								<ul style="list-style-type: none"> In-employment and post-employment guidelines will continue to apply.

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

Alignment of 2026 variable remuneration with strategy

Each year, the committee sets a remuneration framework for executive directors that supports and incentivizes the execution of our strategy. For 2026, the scorecards have been simplified to reflect our business priorities, supported by strong safety and operational performance, with financial measures at the forefront. Further details on the rationale for their inclusion can be found on **pages 109-110**.

	Strategy (upstream, downstream, transition)	Primary targets	KPIs
Annual bonus			
Safety (15%)			
Tier 1 and tier 2 process safety events ★	●		●
Financials and operations (85%)			
bp-operated reliability ★ and availability ★	●		●
Structural cost reductions ★ (\$bn)	●	●	●
Modified free cash flow ★ (\$bn)			●
Performance shares			
Cumulative reduction % in operated carbon emissions (20%)			●
Adjusted free cash flow CAGR ★ (25%)		●	●
ROACE ★ (25%)		●	●
Relative TSR (30%)			●

→ [Strategy and primary targets page 8](#), [KPIs page 14](#)

Engaging with our 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. As a committee, we spend considerable time on matters relating to performance and remuneration arrangements across the wider workforce.

Element of remuneration	All employees	Executive directors
Salary	Salary is the basis for a competitive total reward package for all employees. We conduct an annual salary review for all non-unionized employees. In setting pay budgets, we assess how employee pay is currently positioned relative to market rates, wage inflation, forecasts and business context.	The salaries of our executive directors are reviewed annually. The review 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.
Pensions and benefits	We operate different pension plans by location and for those parts of our business where market practice is markedly different, e.g. our retail business. For our population of non-retail employees in the UK, we provide a flexible cash benefits allowance of 20% of salary. The benefits available are aligned with competitive market practice in our different jurisdictions.	Executive directors receive a cash allowance in lieu of pension aligned with the wider workforce (currently 20% of salary). Other than the provisions of car, security and tax preparation related benefits, benefit packages are broadly aligned with those of other employees in the UK.
Annual bonus	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 scorecards. From 2025, business scorecards have been introduced for certain parts of bp. Individual performance is assessed through a performance rating which may result in an uplift or decrease to bonus outcomes. We operate different bonus plans for those parts of our business where market practice is markedly different.	The annual bonus for the executive directors is linked to the same bp performance factor as for the wider workforce. Executive directors are not entitled to a bonus uplift linked to individual performance. For executive directors, a portion of any award is deferred into shares for three years. The deferral rate depends on whether the executive director has met their minimum shareholding requirement.
Performance shares	We operate share plans with three-year vesting for all our senior leaders. Opportunity varies across two broad tiers: group leaders (approximately 300) and senior-level leaders (approximately 4,000).	Executive directors are eligible for performance share awards, which are subject to stretching performance targets over a three-year period. An additional three-year post-vesting holding period applies for executive directors.

Other elements of pay

Recognition

energize!, our global recognition platform, is open to all employees for peer-to-peer recognition. The scheme aims to celebrate employees' contributions, highlight behaviours vital to our success and drive performance. In 2025, a total of 39,900 employees received energize! awards.

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 or particular initiatives. Senior leaders actively participate in the programmes, often by recognizing the contributions of their team members. In 2025, 6,600 employees were awarded spot bonuses in recognition of their contributions.

Focus@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 the achievement of goals 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 2025, the participation rate in the scheme was 64% of eligible employees.

Workforce highlights in 2025

Driving our performance culture

Following the strategy reset announced in February 2025, bp is undertaking a broad transformation to become a more competitive, focused and value-driven organization.

As part of this, we reviewed and updated our approach to performance management to make it clearer, more consistent and better aligned with bp's strategic goals. This evolution represents a culture shift and an operational change, influencing how our employees support bp in delivering its ambitions.

To date, four changes have been introduced:

- **Aligned goals:** Common goals are now set at an entity or sub-entity level, giving employees a clearer line of sight to organizational priorities and how their work contributes to bp's strategy.
- **Business scorecards:** Business-level scorecards have been introduced alongside the group scorecard, strengthening the link between business performance and reward outcomes.
- **Annual review cycle:** The performance cycle now incorporates quarterly check-ins, alongside our existing mid-year and year-end conversations, to support more regular, meaningful conversations.
- **Individual ratings:** A simple rating system has been introduced to assess individual performance over the year, with outcomes directly impacting reward decisions.

Together, these changes will help embed a stronger performance culture that supports our strategy.

Supporting employees during organizational transformation

Our approach to workforce health and wellbeing is centred around the needs of our people, combining globally available services that can be tailored to meet specific local needs. All employees have access to our global digital health and wellbeing hub, Thrive@bp.

During bp's transformation programme, we have offered comprehensive mental health support to employees which has been developed through listening forums and employee feedback. Recognizing the pivotal role of our leaders, we have also offered tailored resources to help them support their teams and look after their own mental health.

Support has included on-site counselling, check-ins with counsellors and advice from psychologists, coaching and access to other specialists through webinars. We offered bespoke mental health training on 'thriving' through change, which has been completed more than 4,000 times and included a leader-specific module.

Healthy minds

Our bespoke mental health education programme, Healthy Minds, provides elearning modules for all bp employees.

Since its launch in 2024, more than 14,000 modules have been completed and more than 75% of our senior leaders have engaged in the programme.



Workforce engagement

Receiving feedback from our employees remains an important way in which the board stays connected to the broader employee experience.

On remuneration specifically, as part of the board-led workforce engagement programme (WEFP), a dedicated session was held in July 2025 to hear employee views on changes to performance management, including the introduction of business scorecards and performance ratings.

The discussion provided valuable insight into how these changes are being received across the organization.

Image: Retail colleague at our Oak Tree service station in Surrey, UK



Shareholder views

The committee is committed to maintaining an open dialogue with our shareholders. During the year, we engaged with our top 30 shareholders (representing over 40% of our shareholder register).

The insights shared during this engagement play an important role in shaping our decisions. We value the feedback received, helping us to understand evolving expectations on reward matters.

Image: Trading and shipping colleagues at our Canary Wharf office in London, UK

Directors' remuneration report continued

Executive directors' pay for 2025

Single figure table – executive directors (audited)^a

	Carol Howle ^b thousand 2025	Murray Auchincloss ^c thousand 2025	Kate Thomson thousand 2025	Murray Auchincloss thousand 2024	Kate Thomson thousand 2024
Salary	£57	£1,434	£845	£1,450	£731
Benefits	£2	£138	£82	£132	£67
Cash allowance in lieu of pension	£11	£287	£169	£290	£146
Annual bonus ^{d,e}	£83	£2,594	£1,545	£734	£370
Performance shares ^{f,g}	£733	£854	£387	£2,573	£697
Total remuneration	£886	£5,307	£3,029	£5,179	£2,011
Total fixed remuneration	£70	£1,859	£1,096	£1,872	£944
Total variable remuneration	£816	£3,448	£1,932	£3,307	£1,067

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

b Carol Howle was appointed interim CEO on 18 December 2025, having previously been EVP supply, trading & shipping. The amounts disclosed reflect her service in the year as an executive director.

c Murray Auchincloss stepped down as CEO on 18 December 2025, having been appointed as permanent CEO on 17 January 2024. The amounts disclosed reflect his service in 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 100 for further detail on the approach taken for the 2025 annual bonus.

e For Carol Howle, a portion of the annual bonus relates to performance within her capacity as EVP supply, trading & shipping. The pro-rated value of this award amounts to £36k of the figure disclosed, of which half is to be delivered in cash and half is to be deferred into bp shares for three years. The remuneration committee has determined that the measures and targets linked to this portion of the award are commercially sensitive and therefore have not been disclosed. The remaining portion of the annual bonus relates to group performance, as set out on page 99, and in line with the terms of that award will not be subject to deferral requirements in respect of 2025.

f For Murray Auchincloss, the value of the performance share award has been calculated using the average share price in the last three months of 2025 of £4.40 and includes notional dividends accrued up to 13 February 2026. For 2024, the performance shares have been restated to reflect the share price on the date of vesting of £3.60 and actual dividends received.

g For Carol Howle and Kate Thomson, the value of the performance share award relates to their roles prior to their appointment to the board. For 2023-25, the awards have been calculated using the average share price in the last three months of 2025 of £4.40 and includes notional dividends up to 13 February 2026. For 2023-25, performance share awards below board had a different scorecard to executive directors, which resulted in an outcome of 52.8% of maximum. For 2024, the performance shares have been restated to reflect the share price on the date of vesting of £4.63 and actual dividends received.

Overview of single figure outcomes

Salary

In respect of 2025, Murray Auchincloss received a salary increase in line with the wider workforce and his base pay was set at £1.508 million. Kate Thomson received a salary increase of 8%, reflecting her development in role and leadership of the finance function, which increased her base pay to £864,000. These changes were effective from the 2025 AGM on 17 April 2025.

Carol Howle was appointed as interim CEO on 18 December 2025. From the date of appointment, her base pay was set in line with that of her predecessor at £1.508 million.

Benefits

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

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.