

BP – Annual Report on the Voluntary Principles on Security and Human Rights

January to December 2017

Introduction

This report describes BP's implementation of the Voluntary Principles on Security and Human Rights (the 'Voluntary Principles' or 'VPs') during 2017. The structure and the reporting points that follow correspond with the Voluntary Principles Reporting Guideline.

During the last year BP has continued to support progress on implementation of the VPs in several locations including Alaska, Egypt, Georgia, Iraq and Turkey.

A. BP's Commitment To The Voluntary Principles

BP continues to support the Voluntary Principles Initiative and use the guidance provided as an operational and practical guideline.

We continue to be committed to conducting our business in a manner that respects the rights and dignity of all people as set out in our Human Rights Policy¹. BP's Code of Conduct references the policy, requiring employees to report any human rights abuse, or suspected human rights abuse, including those which may be security related, in our operations or in those of our business partners. Our Human Rights Working Group, made up of senior leaders from our business, maintains a group wide view of human rights risks and provides strategic advice.

¹ <http://www.bp.com/en/global/corporate/sustainability/society/human-rights/human-rights-policy.html>

Local operations implement actions to help us meet our security and human rights commitments, such as providing channels for local communities to raise concerns. Our activities can have a direct impact on the people who live close to our facilities. For this reason, when we plan major projects we assess impacts on communities. This helps us to identify early on whether any activities could affect the rights of people living in nearby communities – and to find ways to prevent or mitigate those impacts before any work begins.

Employees accountable for assessing and managing security risks receive guidance to help them understand BP's approach to implementing the Voluntary Principles. This includes the mechanisms we use to identify and mitigate potential issues, our interaction with public security forces and private security providers, and progress evaluation. We periodically conduct internal assessments to identify areas where we can improve implementation.

During 2017, BP have continued to support the VPs' Steering Committee for the Corporate Pillar', whilst no longer having a seat on the committee due to the rotation of members, BP continued supporting the VPs' working groups and led two developing pieces of guidance on offshore security best practice and risk assessment best practice.

To share and promote best practice, we work with governments, other companies and non-governmental organizations (NGOs), whether or not they participate in the Voluntary Principles. Outside the VPs, but working in close alignment with them and alongside many of their members, BP co-chairs the IPIECA Responsible Security Task Force (RSTF), part of IPIECA's Social Responsibility Working Group (SRWG). As part of this role, we travelled to Mexico City to deliver a workshop on behalf of the Mexican national oil and gas industry association, AMEXHI, this was unfortunately cut short due to the earthquake the city experienced. It is

rescheduled for early 2018. BP is also an active member of the UK Voluntary Principles cross-pillar group.

BP continues to build relationships in our non-operated joint ventures which enable us to discuss and share our approach to security and human rights across our operations. In particular in 2017 we have worked closely with Kosmos Energy to learn from each other's approaches across a number of projects we are working on together.

Throughout the year BP undertook a series of briefings to key internal stakeholders, delivered VPSHR training and supported VPSHR Risk Assessments (VPSHR-RA) and in-country implementation processes in a number of countries, including Trinidad, Mauritania, Senegal and Egypt.

B. Policies, Procedures and Related Activities

Guidance for the implementation of the VPs are included in our Voluntary Principles Implementation Guideline, which aims to make implementation more effective and consistent, by providing practical tools for our businesses and by integrating guidance into BP's management systems. The guideline consists of seven elements addressing risk identification, mitigation and evaluation. The BP Intelligence, Security and Crisis and Continuity team provides advice and hands-on support to businesses who seek to implement the VPs and extend the knowledge base across the company, led by the Global Voluntary Principles Advisor.

Our businesses are required to carry out a security risk assessment and to incorporate the findings into a security risk action plan. In locations assessed as having higher security risks, businesses carry out an additional Voluntary Principles screening and impact assessment. An independent internal Group Audit function

audits the business's conformance with this when conducting audits of our businesses' physical security-related activities.

BP has mandatory procedures for reporting and investigating incidents, including any security-related incidents and these have been described in previous annual reports to the plenary. We would investigate any allegations of human rights abuses in our operations. We will also conduct an internal investigation whenever there is credible evidence that our actions or omissions may have played a role in any alleged abuse. During 2017 we did not receive any third party complaints about any incidents related to excessive use of force.

As with any type of contractor, BP businesses screen and select private security contractors based on a combination of factors. We seek to make contractual commitments with suppliers that encourage them to adhere to the principles contained in our human rights policy. The standard model contracts used by our upstream, downstream, shipping and biofuels businesses include requirements for our suppliers to respect internationally recognized human rights in their work for BP. We include these requirements as we renew or enter into new contracts. BP also requires contractors to communicate our health, safety, security and environmental requirements to their relevant employees and subcontractors and demonstrate that they follow them.

We continue with efforts to raise awareness of the Voluntary Principles across the company. This includes the delivery of awareness sessions for 'business security representatives' who hold responsibility for security management in their respective businesses. We have also developed a detailed, interactive Voluntary Principles training module which has been delivered to approximately 30 people this year. This module is currently being updated to refresh the content and format for delivery and will be relaunched in 2018.

C. Country Implementation

ALASKA

The Security force in Prudhoe Bay has been armed since the 1970s. Use of Force training in Alaska has evolved over the years to match the threat environment around the workforce.

Historically, the training and expertise required for such a position was drawn from retired or experienced law enforcement officers. Once hired, the level of training provided on-the-job was minimal. A need to change was recognized, not only for the safety of the workforce, but for the individual Security Officer as well. As such, BP began a renewed focus on training and modernization of equipment. Use of Force training was revamped, officer safety programs implemented, firearm platforms were modernized, less-lethal tools were issued, training on their use delivered and qualification courses were improved to create a higher standard of proficiency.

Most recently, improvements have been made in the area of Active Shooter / Violent Critical Incident response, and using firearm simulator technology to hone the shoot / no-shoot judgement of Security Officers. Additionally, judgment-based training is provided through a company that specializes in firearms simulator training. This training has become a valuable part of the overall program, and assists security leadership in assessing officer performance.

We undertake consultation and joint-training exercises with local, state, and federal law enforcement partners. These private/public partnerships not only maintain a high standard, but add legitimacy to the programme and foster relationships that are crucial if public security support is required.

IRAQ

VPSHR Training is conducted every 3 years, for key personnel within the Rumaila Security Team. This includes the Oil Police Force (OPF), Basra Oil Company (BOC) and Agency personnel. To date, 338 personnel have attended a bespoke VPSHR workshop, which was shared between the BOC (226) and Agency personnel (112). The OPF have continued to be coached and mentored during this reporting period, and focused delivery with training, incorporating embedded VPSHR has continued. To date, 452 OPF personnel have been trained.

GULF OF ADEN

We use two private maritime security contractor companies to deploy armed contractors on our vessels operating in high risk areas. The measures in place to ensure a justifiable and proportionate use of force include:

- Contractual terms
- Clear rules for the use of force
- Effective protocols for the selection, vetting and ongoing training and monitoring of armed operatives
- Self-verification checks on these measures by BP Shipping and assurance checks on them by the relevant Regional Security Advisor
- Third party audits against various relevant international standards by Lloyds Register Quality Assurance

GEORGIA

BP Georgia has a 'Single Point of Accountability' (SPA) for the VPs in the security team. The SPA maintains a formal VPs implementation plan and performs bi-annual

audits of the security contractor in order to check conformance with the relevant standards.

The approach to security and human rights training of Private Security Contractors in Georgia follows the 'train the trainer' format and BP Georgia also conducts bi-annual audits of our provider to check compliance with their training commitments.

BP Georgia's Private Security contractor has become a member of the International Code of Conduct Association for Private Security Service Providers (ICoCA). By signing the Code of Conduct and becoming a member of the ICoCA, Private Security Companies commit to become certified by the ICoCA and submit to ongoing independent monitoring, auditing, and verification. The Signatory Private Security Companies affirm that they have a responsibility to respect the human rights of, and fulfil humanitarian responsibilities towards, all those affected by their business activities, including personnel, clients, suppliers, shareholders, and the population of the area in which services are provided. The Signatory Companies also recognize the importance of respecting the various cultures encountered in their work, as well as the individuals they come into contact with as a result of those activities. BP supports the ICoCA and is an observer of the initiative.

The Strategic Pipeline Protection Department (SPPD) is responsible for the Baku-Tbilisi-Ceyhan (BTC) and South Caucasus Pipeline (SCP) pipeline security in Georgia. Cooperation between BP Georgia security and SPPD is positive, with regular meetings and discussions relating to their operations around BP Georgia's facilities. SPPD security arrangements and impact on local communities is discussed during those meetings. There have been number of positive steps made from SPPD officers at a local level (such as donating blood at the local "Blood Bank" and helping with construction at the local church).

SPAIN

Spanish legislation requires that BP have to provide an armed capability within the guard force at refineries in the country. This is provided through a contract between

BP and the security provider. While this is a legal requirement, the BP Security Team has encouraged a review of how standards are applied and maintained. This includes discussions around the potential risk that the armed guards are mitigating, the risks of having armed guards and how this is managed (in the past, training has been increased from the Government standard of 2 days to 4). This is then documented and requires sign off by the Refinery manager before going to BP's Global Head of Security for review. By providing this process, on top of the legislative requirement, attention is paid to lessening any potential for adverse impact upon the local community by having ill prepared guards being required to carry firearms. It also looks to ensure that reputational and physical risks are effectively managed.

D. Lessons from 2017 and priorities for 2018

- BP will continue its active participation in VP initiatives and working groups, and will also continue to support IPIECA in its initiatives, such as the Responsible Security Working Group
- BP will seek to continue to develop a broader understanding of the VPs within our varied businesses. Seeking opportunities to meet with and discuss the VPs across our operations and capitalizing on opportunities to deliver awareness / training sessions on the VPs where appropriate. Our internal awareness e-learning module will be relaunched in 2018.
- BP will continue leading VPI working groups on offshore operations and risk assessments and supporting other working groups as required.