



Slavery and human trafficking statement 2017

1. Introduction

2. About our business

3. Our code and human rights policy

4. Modern slavery and our governance

5. Training

6. Assessing the risk of modern slavery

7. Managing modern slavery risks

8. Working with others

9. Looking ahead

Slavery and human trafficking statement 2017

This statement relates to the financial year ending 31 December 2017. It is published by BP p.l.c. and its relevant subsidiaries¹ in compliance with the UK Modern Slavery Act.

1. Introduction

BP supports the elimination of all forms of modern slavery. Such exploitation is entirely at odds with BP's ethics and our strong commitment to respecting the rights of our workforce. We are determined to play our part by taking actions to safeguard the rights of our employees and contractor personnel, building on long-established BP commitments, policies and processes.

2. About our business

We are a global energy business with wide reach across the world's energy system. We have operations in Europe, North and South America, Australasia, Asia and Africa. We operate in 70 countries and have around 60,000 suppliers, with thousands more supporting them. We recognize the potential for labour rights violations in our industry and we are focusing our efforts where we believe that risk is greatest. Through awareness-raising, risk reviews and enhanced contractual frameworks, we have taken — and will continue to take — steps to strengthen our ability to prevent and remedy abuses.

At group level, we set expectations for how our businesses conduct their activities. These include our code of conduct (code), human rights policy and operating management system (OMS).

Each of our businesses is required to conduct its activities to deliver conformance with these expectations and manage risks associated with its activities, including modern slavery. Often our businesses establish business or local operating site requirements or other arrangements to help them deliver conformance.

3. Our code and human rights policy

Our code and human rights policy together reinforce our support for the elimination of all forms of modern slavery, such as human trafficking and forced labour.

Our code is based on our values and clarifies the principles and expectations for how we work at BP. It applies to all BP employees, officers and members of the board. Employees are required to report any human rights abuse in either our operations, or those of our contractors and other business partners. The code makes explicit reference to the role all parties can play in the elimination of human trafficking and forced labour.

Our human rights policy commits us to respect internationally recognized human rights as set out in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We are working to align with the UN Guiding Principles on Business and Human Rights by implementing our human rights policy.

We address failures by our employees to adhere to our code and policies; this may involve disciplinary action, up to and including termination of employment. Similarly, if a contractor or supplier fails to act in a manner consistent with our expectations or their contractual obligations, we look to work with them to resolve the issue to improve the situation of the people affected. If a serious breach is found and no corrective action is taken, we reserve the right to terminate contracts.

Our OMS sets expectations for how businesses conduct their activities, including guidance on respecting the rights of workers. We screen our major projects early in the development stages, including with respect to labour rights and workforce welfare, to help identify and prevent potential impacts. Where we find an issue, including once project work has begun, we seek to remedy it.

In addition to requiring employees to report human rights abuses, we expect them, and encourage contractors, communities and other third parties to speak up if they see something they think could be unsafe or unethical. At our worksites we help make sure people are aware of our confidential global helpline, OpenTalk, our community complaints systems and workforce grievance mechanisms.

We encourage a 'speak up' culture throughout our organization and with our contractors and suppliers in their work for us. We believe that fostering a culture of 'seeing something and saying something' is one important way in which we can strengthen our ability to respect the rights of our workforce and others who work for us. In light of these efforts and the steps that we continue to take in relation to raising awareness of human rights and issue-specific training on labour rights and modern slavery, we expect that BP employees, our contractors and suppliers, will be increasingly aware of the signs that labour rights abuses may be occurring and will speak up if they see them.

4. Modern slavery and our governance

We take the risk of modern slavery seriously. The board and executive management of BP p.l.c. continue to be engaged in reviewing our progress in identifying and addressing potential modern slavery issues within higher-risk parts of our businesses and supply chains. At the BP p.l.c. board level in 2017, our safety, ethics and environment assurance committee reviewed our approach to assessing and managing risks associated with modern slavery. The group operations risk committee reviewed progress on plans to manage potential risks of modern slavery.

5. Training

We continue to strengthen employee awareness of our human rights policy and potential human rights impacts relevant to our work. Our training covers what human rights means in an operational context, as well as specific topics including modern slavery. Senior leadership teams also participate in awareness-raising training.

In 2017, we broadened our training programme in relation to modern slavery. We developed training and communications to raise awareness of labour rights and modern slavery for people who work on projects, in operational roles and in functions including procurement, human resources and ethics and compliance.

Through these efforts we trained more than 1,000 people on labour rights and modern slavery in 2017 – including more advanced training for over 150 people on how to identify modern slavery warning signs, and what to do if they suspect a worker is at risk.

6. Assessing the risk of modern slavery

We continued our systematic review of the risk of modern slavery in our businesses and supply chains, with 17 businesses prioritized for review in 2017 on the basis of the risk assessment methodology described in our 2016 statement, which considers: country risk, as identified by risk analytics firm Maplecroft and other data sources; activities that rely on manual labour which may be associated with greater risk of exploitation; and factors related to the vulnerability of the workforce. Initial screening of those priority businesses included a combination of: mapping the contractor chain; identifying existing preventative controls and gathering information about workforce demographics and contractor practices, to decide locations, suppliers or contractors for further review.

That initial screening led to further review, on a risk-prioritized basis, through questionnaires or on-site labour rights assessments, including worker interviews. The assessments focus on modern slavery risk indicators, such as passport retention, recruitment or other fees, wage deductions,

¹ BP p.l.c. and its subsidiaries are separate legal entities. References to "BP", "we", "our" and similar terms are to BP p.l.c. and its subsidiaries generally, to one or more of them, or to those who work for them.

employment contracts, working hours, shift patterns and living conditions. Where we have appropriate capability, we may conduct these assessment activities ourselves; in other cases, we use external expertise, such as the non-profit organization Verité. In conducting such assessments in 2017, we worked collaboratively with suppliers, to better understand and manage the risk locally.

Some of our assessment activities in 2017 identified indicators of modern slavery risk among parts of our contracted workforce; in those cases, we are requiring our contractors to put in place corrective action plans and provide remedy to affected workers. Regardless of whether or not our assessments find such indicators, if we identify areas for improvement in our processes, we are putting in place preventative controls, such as supplier labour rights due diligence pre-contract and induction checks.

If we find that we have caused or directly contributed to adverse impacts on workforce rights, we are committed to provide for, or co-operate in, the remediation of those impacts.

In 2017, we also launched guidance to our businesses on assessing socio-economic factors, including human rights aspects such as modern slavery, as part of our group risk process. This will help our businesses to assess whether modern slavery risk may be present in their operations and supply chains.

7. Managing modern slavery risks

We expect all of our contractors and suppliers to act consistently with our code and human rights policy. In support of this, the standard model contracts used by our procurement teams when agreeing new contracts require our contractors and suppliers, in their work for BP, to respect internationally recognized human rights, including those relating to modern slavery. We are prepared to take appropriate action in support of these contractual commitments.

We are taking a risk-based approach to monitoring our contractors and suppliers. When appropriate for assessment or monitoring purposes — or if we have reason to believe that violations are occurring in our supply chain — we conduct labour rights assessments or audits that look into issues such as prevention of forced labour and human trafficking and respect for other rights outlined in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We do not normally conduct independent or unannounced audits.

In 2017, we published our expectations of suppliers on the way they do business with and for BP, including respect for human rights. This provides a concise point of reference for contractors and suppliers, to help them act consistently with our code and human rights policy. It encourages them to promote the 'speak up' culture among their workforce and provide a channel through which to speak up. We have begun including our supplier expectations into processes for sourcing and contracting for goods and services.

The document is also available to our procurement teams as a basis for direct engagement with suppliers during review meetings. In 2017, we held supplier events to communicate our expectations on labour rights in a number of locations, including Brazil, Indonesia, Iraq and the UK. We discussed the action we are taking and expect our suppliers to take to address labour rights and modern slavery risks, the need to raise concerns and the importance of our suppliers communicating this to their own employees, suppliers and business partners.

We continue to strengthen the way in which we assess suppliers and contractors on human rights across the business, including mitigations and monitoring over the lifetime of a contract. In 2017, we took a number of actions to strengthen our procurement and supply chain management practices:

- We developed additional template clauses addressing certain specific modern slavery risk indicators, which are available for use in new contracts relating to higher-risk projects or activities.
- We began reviewing how contractors can raise complaints at a sample of our operating sites.
- A number of our priority businesses progressed their implementation of our human rights due diligence process, using it for screening suppliers for higher-risk activities.
- In our Upstream businesses, we took steps to systematize the identification and management of modern slavery risk by building it into our procurement practice methodology.
- In priority Downstream geographies where we had conducted labour rights assessments in 2016, we worked with suppliers to support the implementation of corrective actions required to meet BP's expectations. The assessments had identified a number of risk indicators, relating to labour rights. Corrective actions on which we worked with suppliers in these locations addressed working hours, recruitment processes, freedom of movement, employment contracts and the development of a formal grievance process.

8. Working with others

We recognize the importance of multi-stakeholder collaboration and peer learning as we seek to strengthen our ability to assess and address modern slavery risks in our businesses and supply chains. We participate in the UN Global Compact UK Network's Modern Slavery Act Working Group and Business for Social Responsibility's Human Rights Working Group.

In 2017, we also began working with IPIECA, our industry association for environmental and social issues, to develop guidance and tools to help our industry address labour rights risks, including modern slavery. The project focuses on labour rights assessment, the effectiveness of complaints channels for contractor workforces, ethical recruitment and employment.

9. Looking ahead

We are committed to improving our understanding and management of modern slavery risks over time. We expect our approach to managing the risk of modern slavery to continue to evolve as we learn from our risk reviews, refine our practices and continue to build capability in our business.



Bob Dudley
Group chief executive
29 June 2018

This statement has been approved by the Board of BP p.l.c. and of each of its relevant subsidiaries, in compliance with the UK Modern Slavery Act. It was approved by the Board of BP p.l.c. on 23 May 2018.

BP businesses around the world are taking measures to assess and address the risk of modern slavery. For examples of actions that BP businesses took in 2017 and more information on our human rights policy, code of conduct and how BP manages potential human rights impacts, see our Sustainability Report 2017 at bp.com/sustainability.