

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

January to December 2018

Introduction

This report describes BP's implementation of the Voluntary Principles on Security and Human Rights (the 'Voluntary Principles' or 'VPs') during 2018. The structure and the reporting points that follow correspond with the Voluntary Principles Reporting Guideline.

During the last year BP have continued to support progress on implementation of the VPs in locations including Azerbaijan, Georgia, Indonesia, Iraq, Mauritania and Senegal.

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 policy](#)¹. 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.

Guidance is made available for employees accountable for assessing and managing security risks 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. In 2018 that guidance has been refreshed and updated to include newly issued best practice, some of which was developed within the VPI, in order to help ensure that users of the guidance are as up to date with developments in this field as possible. Within the guide we also emphasise that Security and Human Rights considerations are about consistently delivering security respectfully and responsibly, in a manner that is respectful to and in harmony with the local community, not just about responding to incidents or raising concerns.

During 2018, BP have continued to support the VPs' Steering Committee for the Corporate Pillar' as needed. BP continued supporting the VPs' working groups. In order to share and promote best practice, we work with home and host 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). BP are 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.

Throughout the year BP delivered VPSHR training and supported VPSHR Risk Assessments (VPSHR-RA) and in-country implementation processes in a number of countries including Georgia, Mexico and Indonesia.

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.

In 2018 that guidance has been re-written and updated in order to ensure that it directs users of the guidance towards best practice guidance that has been developed – much of it within the Voluntary Principles Initiative, and contributed to by all three pillars - since the original issue of the guideline.

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 are required to carry out an additional

Voluntary Principles screening and impact assessment. An independent internal Group Audit function audits the business's conformance with this expectation.

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 2018 we did not receive any third party complaints about any incidents related to excessive use of force by any private security provider contracted to us.

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 and we provide sample contract clauses for private security contracts within the VPSHR Implementation Guideline. 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 regional and business security managers and representatives, who hold responsibility for security management in their respective businesses. In 2018 we have also been working to develop a new, detailed Voluntary Principles training module, which

reflects the updated Implementation Guideline and is delivered in an engaging, interactive format, checking understanding at regular points throughout the training.

We carry out a screening process to identify the potential impacts that projects could have over their lifetime, including social aspects, such as security and human rights and the prevalence of corruption and bribery in the host country. The findings help us to carry out impact assessments, identify mitigation measures and implement these in project design, construction and operations. These apply to our major projects, projects that involve new access and some BP acquisition negotiations.

C. Country Implementation

INDONESIA

We work closely with Indonesia's Upstream oil and gas oversight body, SKK Migas, and maintain close relationships with relevant security authorities, working with the authorities to ensure security arrangements that are satisfactory and appropriate both for our operations and for local communities.

In its December 2017 report the Tanguuh Independent Advisory Panel (TIAP), which provides independent external advice to BP on non-commercial aspects of the Tanguuh project, described the performance and continued success of our integrated community-based security (ICBS) approach – and community relations generally – at Tangguh as excellent. TIAP reports, and BP responses to them, are published and the reports also presented to and discussed with interested parties in Jakarta, London and Washington D.C.

We adopted the approach of ICBS from the very start at Tangguh and it continues to be the cornerstone of our approach towards security. It is firmly based on the VPSHR together with respect for 'local wisdom' and has contributed to our strong, long-lasting relationship with communities around Bintuni Bay. We see ICBS as the primary mechanism to prevent, pre-empt and respond to possible community-

related security disturbances. We remain committed to the approach – indeed the 2014 environmental and social impact assessment (AMDAL) on which the Tangguh LNG operations and project is based, requires BP Indonesia to enhance ICBS and continue to uphold the Voluntary Principles.

As part of an agreement between the national regulator, SKK Migas, and the Papua Barat Provincial police in March this year, all oil and gas facilities in Papua Barat province are now supported by a number of police personnel. At Tangguh measures have been put in place to make sure they do not undermine the VPSHR and ICBS. We are also focusing on providing additional training to our private site security guards to help ensure that response to any incident is proportional to the risk presented.

Since the beginning of operations, Tangguh's security team has participated in annual joint training exercises with Papua police, with special attention on human rights. Participants in these training activities have included police officers, security guards, employees and observers, which have included military officers, local NGO members, and journalists.

From the outset, BP Indonesia has been committed to building and maintaining positive engagement with the local communities, we have an established team specialised in managing community issues and have engaged independent third parties to review, assess and provide feedback on our community-related works. We have not had or reported any alleged human rights violations in connection with security arrangements at the Tanguuh project. We respect local values and we value the quality of life of the people living around our area of operations, and provide support towards the advancement of their education, economy and social standards.

MAURITANIA AND SENEGAL

BP Mauritania and Senegal (BPMS) commenced a VPSHR risk assessment for the region in October 2017. As a greater understanding of anticipated project and operations was gained, the team were able to refine the assessment. Risks were brought more clearly in to focus and a collaborative review with VPSHR Functional

experts and legal counsel was conducted. A VPSHR response plan was drafted to address the identified risks and circulated with key stakeholders in the BPMS business to ensure communication of the required actions for a response.

An external expert on the VPSHR was engaged to conduct a review of both the risk assessment and response plan. The assessment and plan were then finalised but will be kept under review as BPMS operations develop.

During the tender for regional security services, the requirement for VPSHR training was built in to the Scope of Work. All private security guards deployed on the project are to receive VPSHR training prior to deployment and refresher training every 90 days thereafter. The BPMS security team will conduct oversight checks that these requirements are being met. In addition to in-country oversight, the BPMS security team obtained independent internal input and assurance with respect to the private security contract VPSHR training delivery.

GEORGIA

As part of our systematic performance review of the Voluntary Principles, we conducted an assessment of our operations in Georgia, in December 2018.

The review is based on eight 'core' and three 'additional' verification points. The core verification points address security practices and arrangements, such as assessing risk and working with private security, that businesses have in place. The three additional verification points address aspects of working with public security.

BP Georgia has established specific processes and procedures to help ensure that both public and private security force risks are identified and mitigations are in place. The company is also in regular contact with representatives of both the Government of Georgia and local communities regarding the impact of their security arrangements on those communities.

BP Georgia seek to monitor and adapt to changing political, economic, law enforcement, military and social situations which may impact security and human rights considerations. Potential impacts – both positive and negative - of our

security arrangements on individuals and communities are regularly assessed and plans for mitigation of the associated risks are integrated within existing security risk assessment and management planning processes, which is also updated on a regular basis.

D. Lessons from 2018 and priorities for 2019

- 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 continue supporting VPI working groups as required.
- 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 capitalising on opportunities to deliver awareness / training sessions on the VPs where appropriate.
- BP will issue the updated Implementation Guideline, promote internally and use this as an opportunity to re-energise the conversation in businesses with regards to the VPSHR.
- BP will promote the updated elearning module, which will be launched in 2019.