

Modern slavery and human trafficking statement 2022



Progress and next steps

About this statement

This statement relates to the financial year ending 31 December 2022, describing bp's approach to assessing and addressing the risk of modern slavery in connection with our business and supply chains. It is published by BP p.l.c. and its relevant subsidiaries^a in compliance with the UK Modern Slavery Act 2015.

About bp and our supply chain

We are a global energy business with operations in Europe, North and South America, Australasia, Asia and Africa.

We currently operate in 62 countries, employ around 67,600 people and have around 39,000 suppliers. These include contractors, vendors, service providers and contingent labour, many of whom also have further suppliers. We recognize the potential for labour rights violations in our industry and supply chain, and we focus our efforts where we believe that risk is greatest.

Our teams continue to identify parts of our supply chain as focus areas for their work to manage labour rights risks, including modern slavery risks.

The case studies in the attachment on page 13 illustrate our approach.

a References in this statement or the attachment 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. BP p.l.c. and its subsidiaries are separate legal entities. bp subsidiaries included in scope of this statement are: Air BP Ltd, Arco British Ltd, LLC, BP (Abu Dhabi) Ltd, BP Berau Ltd, BP Eastern Mediterranean Ltd, BP Exploration (Appha) Ltd, BP Exploration (Caspian Sea) Ltd, BP Exploration (Peta) Ltd, BP Exploration (East) Ltd, BP Exploration (Caspian Sea) Ltd, BP Exploration (Peta) Ltd, BP Exploration (Caspian Sea) Ltd, BP Exploration (Peta) Ltd, BP Exploration (Derating Company Ltd, BP Gas Marketing Ltd, BP Holdings Iraq Ltd, BP International Ltd, BP Kuwait Ltd, BP Marine Ltd, BP Middle East Ltd, BP Oil UK Ltd, BP Pensions Trustees Ltd, BP Shipping Ltd, BP Wiriagar Ltd, Britannic Trading Ltd, Britoil Ltd, Castrol Ltd, Chargemaster Ltd, Lubricants UK Ltd, and Wiriagar Overseas Ltd (BVI). In addition, three further entities BP Amoco Exploration (in Amenas) Ltd, BP Exploration (Angola) Ltd and BP Exploration (El Djazair) Ltd were in scope bp subsidiaries during all or part of the financial year 2022, to which this statement relates, but are no longer bp subsidiaries at the time the statement is made.

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Introduction

bp supports the elimination of all forms of modern slavery. Modern slavery is a term used in policy and law to describe forms of exploitation that constitute serious violations of human rights, including human trafficking and forced labour. This type of exploitation is contrary to our commitment to respecting the rights of our workforce.

At group level, we set expectations for how our businesses conduct their activities, including through our code of conduct, human rights policy, labour rights and modern slavery (LRMS) principles and operating management system (OMS). All our businesses are required to conduct their activities in conformance with the applicable expectations and manage the risks associated with them, including modern slavery risks. They often establish local requirements or other processes to help them do this.

Work to identify LRMS risks in bp and implement relevant activities is carried out by several teams, including our central LRMS specialists who provide support and advice across bp, our social practitioners who work in the field at specific projects and operations, members of our people & culture (P&C), procurement and health, safety, environment & carbon (HSE&C) teams and contract accountable managers.

In 2022 we:

- Enhanced our pre-contract risk assessment processes to make them easier to use for our procurement teams and consequently improve their effectiveness. Read more on page 6.
- Developed an in-house supplier due diligence process. Read more on page 6.
- Increased the number of operated businesses that are implementing the LRMS requirements included in our OMS. Read more on pages 5 and 6.
- Worked towards conformance with our OMS risk assessment requirement. 64% of operated businesses had risk assessed at least a sample of their contractor base by the end of 2022 (an increase from 18% by the end of 2021). Read more on page 5.
- Carried out 11 on-site supplier assessments building on those carried out in 2021, including worker interviews. Read more on pages 6 and 7.
- Developed and made available training for social practitioners about how to carry out risk assessments and due diligence activities, including worker interviews. Read more on page 8.
- Engaged over 200 contractor representatives on LRMS, through various forums. Read more on page 8.



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Governance of modern slavery

The risk of modern slavery is a serious concern. The BP p.l.c. board and the bp executive leadership team continue to review our progress in identifying and addressing potential modern slavery issues in higher-risk parts of our businesses and supply chains.

The safety and sustainability committee of the BP p.l.c. board annually reviews our approach to assessing and managing risks associated with modern slavery, as part of our governance processes. At executive level, the group operations risk committee reviews our progress on managing the risks of modern slavery.

We are evolving our governance in this area and to this end, in 2022 we set up a new LRMS governance group, comprising senior leaders from key teams involved in managing LRMS for bp, such as health, safety, environment and carbon (HSE&C), strategy, sustainability and ventures (SS&V), people and culture (P&C) and procurement. The group meets on a quarterly basis to oversee and track LRMS performance. The implementation of relevant activities is supported by our LRMS working group. It comprises employees from our central teams and representatives from a cross-section of bp businesses.

Our internal audit function regularly assures our risk management processes. In 2022 it reviewed our central systems for managing LRMS risk. The outcomes of this review have been incorporated into our work plans.

Read more about sustainability governance on page 15 in the bp sustainability report 2022.

Our policies related to modern slavery and human trafficking

We are committed to respecting workers' rights, in line with the International Labour Organization Core Conventions on Rights at Work and we expect our contractors, suppliers and joint ventures to do the same. We set out this commitment in our human rights policy.

Our expectation is that workers in our operations, joint ventures and supply chains are treated with respect and care and are not subject to abusive or inhumane practices, such as child labour, forced labour, trafficking, slavery or servitude, discrimination, or harassment. Our LRMS principles are intended to assist our businesses, contractors and suppliers as they work to check performance against this expectation.

Read more about our policies in our modern slavery and human trafficking statement 2020.

Read our human rights policy and LRMS principles at bp.com/humanrights.

Grievance mechanisms

We encourage a speak up culture among our employees and contractor and supplier workforce. In addition to requiring bp employees to report human rights abuses, we expect them to speak up if they see something which they think could be unsafe or unethical. We encourage contractors, communities and other third parties to do the same. At our sites we help ensure that contractors and their workers are aware of our confidential and anonymous global helpline OpenTalk and, where relevant, our community complaints systems and workforce grievance mechanisms. We promote the use of these channels with zero tolerance for retaliation, and consider acts of retaliation to be misconduct.

Read more about access to remedy on page 7. Attachment



Risk, remedy and capability

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Risk assessment and due diligence

Before contracts are awarded, we consider suppliers' scope of work, location and workforce composition. This helps us conduct risk assessments and prioritize our due diligence activities. In 2022 we refined the risk criteria we use to assess new suppliers.

Developing our risk assessment approach

We use external labour rights and modern slavery (LRMS) data sources, such as Maplecroft risk indices, to generate risk heatmaps for the countries in which we operate. Each country is then categorized as being either low-, medium-, or high-risk. Country level risk is used in conjunction with the scope of work conducted and workforce composition to perform risk assessments.

Risk assessment is included as a requirement in our operating management system (OMS) processes. This approach intends to enable our businesses to determine any further due diligence and remedial action required to adequately mitigate supply chain LRMS risks. Our operated businesses are working towards conformance with this requirement. 64% of them had risk assessed at least a sample of their contractor base by the end of 2022 (an increase from 18% by the end of 2021).



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Risk assessment and due diligence

Supplier due diligence

We have updated and enhanced our pre-contract risk assessment process. In 2022 we:

- Refined our existing definition of high-risk by expanding the number of countries classified as high-risk according to Maplecroft indices, adjusting the supplier categories risk we focus on, and adding the presence of low skilled and migrant workers as a separate risk factor.
- Developed and rolled out a risk identification and evaluation tool to make it easier for our procurement and contracting teams to identify high-risk engagements.

Read more about our pre-contract risk assessment process on page 7 of our 2020 modern slavery and human trafficking statement. As part of the pre-contract assessment, high-risk suppliers are required to provide our procurement teams with documentary evidence that they have implemented appropriate policies, processes and practices to manage LRMS risks. This includes reviewing contractors' policies and procedures against LRMS indicators such as recruitment practices, pay and rest periods. High-risk suppliers must also demonstrate that they have shared these with their workforce.

This approach enables us to assess whether suppliers can meet our LRMS expectations. In the second half of 2022 we developed an in-house pre-contract due diligence process to improve the quality of assessments and consequently increased the number of assessments completed year-on-year, from 74 in 2021 to 135 in 2022. We work with our suppliers to build corrective action plans to address any gaps that are identified. In our contracts, we also reference our expectations that suppliers should work in ways that are consistent with the bp human rights policy.

In addition to pre-contract due diligence of new suppliers, LRMS risk assessment is ongoing across our current supplier base. Our OMS requires our businesses to carry out contractor risk assessments and regular monitoring activities, which form a key part of our routine due diligence.

Read more about our OMS on page 7 in our 2021 modern slavery and human trafficking statement.

Our risk assessment criteria include worker composition (for example, the presence of migrant workforces), use of recruitment agents, workforce skill levels, and the number of supply chain tiers. We supplement our risk assessment processes with information sourced through our speak up channels and the worker interviews conducted as part of our monitoring activities. 72% of our operated businesses now undertake worker interviews as part of monitoring activities.

Our risk assessments are ongoing and iterative processes, which help us determine where best to deploy resources for on-site assessments.

In 2022 we carried out 11 on-site assessments, mainly for contractors working at our sites, as well as some off-site suppliers. These assessments were carried out by bp employees who had completed relevant training. They involved talking with supplier management teams, reviewing documents and interviewing a representative sample of workers (especially vulnerable workers) in order to establish suppliers' LRMS performance against national law, our LRMS principles and international best practice.

Where our assessments and monitoring activities identified concerns, we have worked with suppliers to devise prioritized corrective action plans to make ongoing improvements, and reviewed their performance during contract review meetings.

Read more about the findings from our 2022 on-site assessments on page 7.



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Providing our workforce with access to remedy

Our human rights policy states that we do not impede access to state-based judicial processes. If we cause or contribute to adverse impacts on human rights, we provide for, or co-operate in, their remediation through legitimate processes intended to deliver effective remedy, while not preventing access to other forms of remedy if justified.

Concerns, including those related to human rights, can be raised through OpenTalk, which is available 24 hours a day, seven days a week, in 75 languages. Concerns can be raised anonymously from most locations and any report made will be kept as confidential as possible, consistent with law and good business practices. All concerns are taken seriously and we do not tolerate retaliation of any kind. bp employees or contractors and their workforce can submit a report to OpenTalk at opentalkweb.com.

In addition to the above, at the end of 2022 48% of our operated businesses had taken specific local actions to promote aspects of labour rights to our contractor workforces, during inductions and toolbox talks and by displaying promotional posters on-site. These actions promote worker rights topics and are intended to further reinforce awareness of OpenTalk. They are a standard expectation of our operated businesses as they implement our OMS requirements.

OpenTalk is overseen by our ethics and compliance team (E&C). To enhance our ability to monitor LRMS concerns raised through OpenTalk, in 2022 we:

- Improved the CMS (concerns management system) used to digitally tag LRMS related concerns raised by workers.
- Provided support during investigations into concerns, including the identification of the root causes of issues.
- Facilitated remedy for workers, with 81% of concerns closed-out.

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Based on some of our investigations, we have identified consistent issues across different regions and businesses. These issues are similar in nature to those most often identified through on-site assessments. We are sharing these insights to help bp businesses.

In 2022 we also updated our internal HSE reporting system to enable users to flag where they consider LRMS issues might be a factor in HSE incidents, to potentially help us identify whether there are potential links between the two.

The chart on this page, together with the case studies on page 13, show how we have worked with contractors to remedy specific issues. We are using these examples to help us identify any changes to our systems that can reduce the likelihood of issues recurring. We aim to share any insights with social practitioners in other bp operated businesses in 2023, via our social community of practice and other relevant forums.

Access to remedy: issues and responses

The chart on this page highlights issues identified on the basis of 11 contractor on-site assessments performed by our central LRMS team. It shows that issues related to pay, working time and grievance mechanisms were the most prevalent. This corresponds with the prevalence of issues raised by contractor workforces through complaints mechanisms. Issues related to discrimination and harassment account for only 4% of issues identified, however we recognize, and workers confirm, that direct experience of both can make them more nervous about speaking up and raising other concerns. Consequently, where relevant, our businesses have worked with contractors to tackle the root causes of discrimination and harassment.

Issues identified in on-site assessments



Issues identified in contractor workforces	Example of remedy provided by contractors
Non-payment, late payment and partial payment of wages, overtime pay and holiday pay.	 Workers repaid. Improvements made in record-keeping systems and processes, including payslips.
Extended working hours and rotations.	 Training on fatigue management policies. Implemented oversight process to check that limits were maintained.

This is in line with our ongoing work to promote a culture in which bp employees, contractors and their workforce feel comfortable to speak up on any concerns. | Attachment

Training and capability building

Through training and expert technical guidance, we are continuing to develop and build the capability required to effectively identify and manage LRMS risks.

In 2022 we focused on raising awareness of LRMS risks and developing capability in our functions and teams responsible for supporting our risk management approach.

To raise awareness we:

- Provided training on our code of conduct, which underpins and reinforces elements of our human rights policy.
- Provided online and face-to-face LRMS training, which was completed by around 1,000 employees, including those working in operations, P&C and procurement.
- Ran LRMS awareness training for senior leaders in the sustainability forum, chaired by SVPs.

To develop capability in support functions we:

- Provided targeted training for more than 290 of our procurement and contracting practitioners.
- Developed and made available our social training programme, aimed at bp environmental and social practitioners, to cover how to carry out LRMS risk assessments and create risk mitigation plans.
- Delivered training to 37 HSE&C and 76 P&C practitioners about how to carry out worker interviews.
- Delivered focused training, developed with an expert third-party organization, to support 19 bp employees who specialize in site walkovers, worker interviews and document reviews.

In addition, LRMS was discussed at contractor forums in Azerbaijan and the Gulf of Mexico region during 2022, to explain our expectations and to understand efforts already underway in our contractor base. More than 200 contractor representatives attended these events.

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Assessing the effectiveness of our approach

We continue to strengthen our ability to identify, prevent and remedy LRMS issues.

LRMS performance metrics and data

In 2022 we used a group-wide data collection system to collate performance data related to LRMS and help us measure, support and manage performance. We continue to work towards increasing the number of reporting entities that provide this data, with 21 doing so in 2022, up from 18 in 2021.

Measure	Examples of supporting metrics	Purpose	Example data points
Systematic approach to identification, prevention and management of LRMS risks.	 Ongoing monitoring activities Types and numbers of issues identified Presence and status of action plans to address issues identified 	Understand trend data on issues found and proportion of issues in progress.	20 entities using site walkovers and worker interviews, 15 doing checks on working hours and overtime, 11 doing payroll checks, 10 doing bp-led assessments.
Effective workforce grievance management.	 Number of grievances raised and 	Understand what mechanisms are in place and the degree to which they are used by the workforce.	Of the 722 grievances raised, 688 were closed as of the end of 2022 – a close-out rate of 95%.
	percentage remedied	Understand if concerns are being addressed.	

Consultation and collaboration

Collaborating with our stakeholders and learning from our peers both remain central to our approach, as we work to strengthen our ability to assess and address modern slavery risks in our businesses and supply chain.

Throughout 2022 we continued to contribute as members of UN Global Compact UK Network's Modern Slavery Act Working Group and Business for Social Responsibility (BSR) Working Groups. We continued to play an active role in the social responsibility, human rights and supply chain working group of Ipieca^a. Its key focus areas in 2022 included agreeing a work plan for worker welfare and encouraging cross-industry discussions about worker engagement and responsible recruitment.

We actively participated in the Global Business Initiative on Human Rights by contributing to their peer learning sessions, which have included in-depth discussions of labour and modern slavery related topics. We plan to look for further opportunities to collaborate and engage with expert external stakeholders.

responsibility and social performance across oil, gas and renewables activities.

a Ipieca is the global oil and gas association dedicated to advancing environmental and social performance across the energy transition.
 It brings together members and stakeholders to lead in mainstreaming sustainability by advancing climate action, environmental

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Our progress and looking ahead

We are open to constructive challenge and expect our approach to managing the risk of modern slavery to evolve. We know there is still work to do and that we can achieve more when we address shared challenges through collaboration.

In 2022 we made progress on the focus areas set out in our 2021 modern slavery and human trafficking statement.

Focus area	Status	Progress in 2022	
 Systems and due diligence Further embed our systematic approach through our OMS to increase our understanding of LRMS risk across our supply base. Carry out on-site assessments prioritized through risk profiling. Continue to progress towards our decent work objective under aim 12 of our sustainability frame by increasing the number of LRMS assessments carried out. 	Progress made	 Increased the conformance levels of our operated businesses. Completed 11 on-site assessments and 135 pre-contract supplier assessments. 	
 Engaging with workers Build our operated businesses' capability to carry out more routine worker interviews, capture and follow-up on findings to reduce risks to and impacts on workers. 	Progress made	 Trained over 100 colleagues to carry out routine worker interviews. Trialled data collection methodology to more easily record outcomes of interviews for follow-up. 	
 Building capability Finalize and roll out social practitioner training. Train an internal team to carry out on-site LRMS assessments. Pilot LRMS awareness training with some suppliers to inform its wider roll-out across our supplier base. This is in collaboration with other Ipieca members. 	Complete	 Developed and rolled out introduction, level 1 and level 2 of social practitioner training. Provided focused training for 19 colleagues on how to carry out on-site assessments. Piloted LRMS awareness training with five suppliers and shared feedback with Ipieca. 	

Our objectives for the future include:

Due diligence

- Increase the number of suppliers evaluated.
- Increase the number of on-site assessments, on a risk prioritized basis.

Building capability

- Continue to build our business teams' capability to engage with workers.
- Provide on-the-job training and establish a peer support network for on-site assessors to share experience.
- Utilize the bespoke LRMS training for contractors and suppliers that has been developed with Ipieca.



Bernard Looney chief executive officer, 29 June 2023

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 2 June 2023.

Read more in the attached case studies on page 13 and at bp.com/sustainability and bp.com/modernslavery.

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Case studies

Our businesses are taking measures to assess and address the risk of modern slavery. These are some examples from 2022.

Encouraging a speak up culture in the Gulf of Mexico

An LRMS assessment of a contractor in the Gulf of Mexico region identified several potential issues, including reports of alleged discrimination and harassment experienced by foreign workers. Some foreign workers also reported being nervous about reporting issues to either their contractor representative or bp employees, due to concerns about the impact of doing so on their future employment. To remedy this, the contractor held listening sessions with workers, to encourage a speak up culture around discriminatory and harsh treatment, and management provided relevant training for their supervisory teams to support the same outcome. Since the interventions, the contractor has reported an increase in instances of speaking up from the workforce and that they have greater comfort and confidence in doing so.

Shipyard supplier assessments

In 2022 the bp shipping team reviewed its drydock strategy, with a view to providing maintenance services for bp's fleet of owned and operated vessels. Recognizing that this was a high-risk LRMS activity, on-site LRMS assessments were conducted at three proposed yards during the pre-contract process. Non-conformances common to all of the yards included recruitment fees, lack of policy documents, weak systems to monitor and control working hours and rest times along with varying degrees of oversight of subcontractors' LRMS performance. We are now working with these suppliers to address the identified issues.

Reimbursement of recruitment fees

Since 2016 bp has been working with a signware supplier in Malaysia to improve LRMS performance. As a first step, the company committed to a reduction in recruitment fees charged to workers, limiting this to two months' salary, the legally permissible level in Malaysia. During a contract renewal negotiation process, bp's category lead worked with the supplier to gain their commitment to the employer pays principle – meaning that the supplier would cover all recruitment agency fees and recruitment expenses for any future recruitment. During negotiations, it was agreed the current workers would also be further reimbursed, resulting in 84 workers being reimbursed approximately two months' salary, equivalent to MYR 2,000 (US\$ 446).



Give your feedback

Email the corporate reporting team at corporatereporting@bp.com



bp p.l.c. 1 St James's Square London SW1Y 4PD

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