



## **BP – Annual Report on the Voluntary Principles on Security and Human Rights January to December 2010**

### **Introduction**

This report describes BP's implementation of the Voluntary Principles on Security and Human Rights (the 'Voluntary Principles') during 2010. The structure and the reporting points that follow are numbered to correspond with the Voluntary Principles Reporting Guideline. Our key activities on implementation are also publicly disclosed in BP's annual Sustainability Report.<sup>1</sup>

During the last year we have worked to sustain progress in locations where implementation is a priority, including in Azerbaijan, Colombia, Georgia, Indonesia and Pakistan. In November 2009 BP signed a technical services contract for the Rumaila field near Basra, Iraq and we have embedded within the agreement our commitment to the Voluntary Principles. In 2010, we commissioned an external assessment and held a workshop with an international training NGO to identify issues around our engagement with the Iraqi government's Oil Police Force (OPF), the public security branch assigned to protection of the Rumaila field. With respect to risk management procedures BP finalised and rolled out a new practice on managing environmental and social risks in applicable new projects, which is now part of our company's operating management system. This includes mandatory requirements on the Voluntary Principles for certain applicable projects.

### **A. BP's commitment to the Voluntary Principles**

(1) BP continues to support the Voluntary Principles as an operational and practical guideline. Respect for human rights is reflected in our Group Values and Code of Conduct. We are committed to the safety and development of our people and the communities and societies in which we operate. We support the Universal Declaration of Human Rights and believe that businesses have a responsibility to respect human rights.

### **B. Policies, procedures and related activities**

(2) *Relevant policies, procedures and guidelines*

In 2006 we developed a guidance note to help BP employees to understand what human rights mean to the company and how human rights issues can be analyzed and managed with respect to three broad categories – employees, communities and security arrangements.<sup>2</sup>

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<sup>1</sup> The BP Sustainability Report is published on [www.bp.com/sustainability](http://www.bp.com/sustainability). The report will be available from March 2011.

<sup>2</sup> The guidance note is available on [www.bp.com/humanrights](http://www.bp.com/humanrights)

In early 2009 we completed and issued a Voluntary Principles Implementation Guideline. This 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, which consists of seven elements addressing risk identification, mitigation and evaluation, has been made available on the intranet as dynamic content that will be updated and improved periodically. We intend to make the extended summary of the guideline publicly available shortly on [www.bp.com/humanrights](http://www.bp.com/humanrights)

*(3) Risk assessment procedures*

As described in our previous report to the plenary, we developed a survey tool to help businesses to assess risks to people and communities potentially arising from their security arrangements. We have integrated this within 'Getting Security Right' – BP's recommended tool for identifying and mitigating security risks. The aim is to make every security planning exercise aware of the types of risks the Voluntary Principles are designed to help mitigate. Recognizing that many businesses are operating in lower risk environments, BP does not mandate a full assessment in all locations – to help determine the need the tool requires completion of a quick-check pre-screening exercise. During 2010 we used the survey tool to help with Voluntary Principles assessments in Iraq, Mozambique, Algeria, Jordan and Libya.

During 2009 we added a section on the Voluntary Principles to our protective security survey, which is an additional tool to support security risk assessments for individual facilities (as opposed to the business-level assessment process described above). The section consists of a checklist to screen potential risks associated with public and private security provided for a site, such as how personnel are vetted, equipped, trained, deployed and managed.

Another development supporting assessment of security and human rights risks is the roll-out of BP's environmental and social 'Group Defined Practice' in April 2010. This helps to identify and manage potential environmental and social risks associated with major projects and projects being implemented in sensitive environmental and social areas. It forms part of BP's Operating Management System.

The environmental and social Group Defined Practice includes a screening process for early identification and prioritisation of the potential environmental and social impacts of the project. This considers various socio-economic indicators, as well as human rights factors associated with public and private security. Projects which, through screening, have identified potential impacts on communities and individuals as a result of security arrangements are required to develop and implement mitigation measures consistent with BP's Voluntary Principles Implementation Guideline.

*(4) Procedures or mechanisms to report security-related incidents with human rights implications*

BP has mandatory procedures for reporting and investigating incidents, which were described in our previous annual report to the plenary. Incident notification to senior management level should be in accordance with the BP Group Defined Practice for Reporting HSSE and Operational Incidents, including cases with a potential human rights aspect. Security incident reporting throughout BP follows a defined process, with incidents classified in terms of their actual or potential severity and recorded in an incident database. An incident that has human rights implications and involves public or private security relating to our activities will normally be reported as a Major Incident Announcement (MIA) or as a High Potential Incident Announcement (HIPO).

BP has a group-wide independent confidential helpline to enable employees or contractors to raise any concerns about possible breaches of the company code of conduct. In several locations businesses also have site-based or country-based grievance mechanisms to track local stakeholder concerns. For example, in Azerbaijan we maintain a mechanism for individuals from communities impacted by our activities to register and resolve grievances. This has been used primarily with respect to land compensation and alleged damage to property. The reporting procedure also serves as a mechanism, in addition to the local police and judiciary, by which individuals could report the use of force and/or alleged human rights abuses by security forces protecting the pipeline.

*(5) Procedures to consider the Voluntary Principles in entering relations with private security (see section 11 for further detail relating to specific country operations)*

As with any type of contractor, it is mandatory for BP businesses to screen and select private security contractors based on a combination of factors. BP also requires contractors to communicate our health, safety, security and environmental requirements to their employees and subcontractors and demonstrate that they follow them.

Through the annual security management planning process that BP businesses undertake, they are asked to ensure that contracts with security contractors include provisions on ethical conduct in accordance with the Voluntary Principles. A requirement to act in a manner consistent with the Voluntary Principles has also been included as a clause in our general model contract, which is being rolled out in 2011. This includes a reference to the International Code of Conduct for Private Security Service Providers.

To support and promote adherence to the Voluntary Principles, we developed within our implementation guideline a standard set of contractual clauses for inclusion in private security service agreements. These address specific performance requirements and rights such as on employment and vetting, deployment and conduct, training, monitoring and assurance and have been included in a number of security contracts around the world.

*(6) Procedures or mechanisms to address security-related incidents with human rights implications*

We investigate any allegations of human rights abuses in our area of operations. We will also conduct an internal investigation whenever there is credible evidence that our actions or omissions may have played a role in the alleged abuse. Any investigation will normally follow BP's Group Defined Operating Practice on Incident Investigation, using root cause analysis methodology.

When abuses are alleged to have occurred outside our area of operations, our response will take into account the nature of the issue and incident and its relationship to BP's operations, the local political and cultural context, and BP's relationships and influence with relevant stakeholders.

In a few cases BP businesses have developed their own detailed procedures to guide their response to potential security-related incidents with human rights implications. The need for such procedures is determined based upon the nature of our business and the environment in which we are operating.

For example, BP's Tangguh project in Indonesia developed in 2005 a detailed procedure for reporting and investigating human rights-related allegations associated with its activities. The

document, which has been made publicly available on the project's website<sup>3</sup>, describes the steps BP will take as operator on conducting internal inquiries and investigations, on reporting incidents to the Indonesian authorities and on maintaining project records. The procedure is periodically tested and validated through table-top exercising.

During 2010 we did not receive any third party complaints or information through other channels about any incidents related to excessive use of force by any private security provider contracted to us.

Mozambique experienced several days of civil unrest during September 2010, predominantly in and around the capital Maputo. The unrest is believed to have been triggered by an increase in the price of basic commodities, such as fuel and bread. Local and international media reports stated that thirteen people were killed during the police response to the incidents, some of which involved cases of rioting and looting. On 1 September 2010 during a protest action, a BP-owned, dealer-operated retail site located on the immediate outskirts of Maputo, was occupied by a crowd of people, some of whom looted the shop while others attempted to set fire to tyres stacked against one of the forecourt fuel islands. Reports indicate that a number of police officers on patrol from a nearby police station saw the incident and responded by coming onto the site. Regrettably a protestor was fatally shot during a confrontation between members of the local police and protestors. Eyewitness reports indicate that the individual was shot as he was attempting to seize a weapon from a policeman. The local ambulance services administered medical care on the scene but failed to stabilize the person due to the severity of the injury.

In terms of the BP Mozambique post-incident response, an internal investigation was carried out to determine the course of events. We arranged counselling and assistance for the dealer and their staff. We contacted the police at senior level to share lessons about how the incident was handled. We conducted a security review that included consideration of human rights risks associated with security for all local BP operations in Mozambique. This has informed our development of a specific Voluntary Principles plan for Mozambique to help ensure security and human rights risks are identified and managed. Updated advice has been provided to the BP Mozambique retail network on managing safety and security in the event of civil crisis.

In Colombia we investigated an allegation that on 15 February 2010 the police at the 'request of BP' had used force to disperse a roadblock by workers on a national highway close to BP's central processing facilities. Our internal investigation showed that BP did not ask the police to intervene in the protest, nor did BP benefit in any way from the intervention. The police squad acted autonomously and under the mandate of Colombia legislation to clear the highway, which led to a regrettable confrontation and use of force leading to reports of some minor injuries.

#### *(7) Promoting awareness*

We continue with efforts to raise awareness of the Voluntary Principles across the company. This includes awareness sessions for 'business security representatives' - typically employees working in smaller operations who hold security management responsibility combined with wider tasks such as health and safety. Country visits by our security and human rights 'subject matter expert' in 2010 included to Azerbaijan, Georgia and Pakistan, and these have been used as an opportunity to engage senior managers in-country. We also have an internal website and e-learning module on the Voluntary Principles to give employees access to basic level instruction.

#### *(8) Promoting implementation internationally*

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<sup>3</sup> [www.bp.com/sectiongenericarticle.do?categoryId=9004774&contentId=7009150](http://www.bp.com/sectiongenericarticle.do?categoryId=9004774&contentId=7009150)

In February 2010 we gave a presentation on our experience of the positive drivers for implementing the Voluntary Principles at an international oil and gas conference in Houston. In November 2010 we ran a half-day workshop on the Voluntary Principles in Doha, Qatar, for security managers working for various companies in the Middle East. This included scenario-based discussions to sensitize participants to human rights risks associated with security, especially in the way that companies respond to incidents or manage requests for material assistance from government security agencies. At the end of 2010 we joined a Voluntary Principles working group on Iraq, which involves a number of other oil companies, NGOs and government representatives with the objective of sharing information on implementation and identifying areas of potential cooperation. We participated in the Voluntary Principles working group on Indonesia, including attendance of meetings in Jakarta in February and December 2010. We also attended a Voluntary Principles workshop in Bogota, Colombia in June 2010.

### **C. Country implementation**

(9) During the last year our focus on implementation of the Voluntary Principles has continued in Azerbaijan, Colombia, Georgia, Indonesia, Turkey, Pakistan and Iraq.

#### *(10) Stakeholder engagement*

We continue to seek opportunities in Azerbaijan to exchange information with community stakeholders regarding the security arrangements in place for facilities and pipelines. One mechanism used has been the 'Inter-Agency Security Committees'. From 2006 to 2009 BP held more than 250 meetings in communities along the BTC pipeline. These were attended by BP community liaison officers and field security advisors, local government leaders, land owners and users, and public security officials. During 2009 BP commissioned a survey of more than a thousand people living and working close to the pipelines in Azerbaijan, to learn about peoples' attitudes to BP's performance on security. Then in 2010 we resumed the Interagency Security Committee meetings, with nearly 4,000 people attending sessions in 85 villages along the pipeline.

In Tangguh, Indonesia, we initiated a new communication programme during May and June to update local communities about the security arrangements for our operations and about the role of community policing. More than a thousand people from 15 villages near to our LNG facilities attended the sessions.

#### *(11) Voluntary Principles considerations in private security contracting and in arrangements with public security*

BP has continued to promote the Voluntary Principles in working with our private security providers in prioritized countries.

For example, we conducted a review of our security contracting in Pakistan, which is one of the few exceptional locations where BP has contracted armed private security services. The decision to use armed guards is subject to review and senior level authorisation, which has to be renewed periodically. During July we reviewed the safeguards in place for the carriage of weapons, which includes vetting, training, monitoring and explicit contractual requirements to adhere to the Voluntary Principles.

Detailed requirements to adhere to the Voluntary Principles are included in several of our security contracts in higher risk locations around the world. This includes, for example, Azerbaijan, Georgia, Turkey, and Pakistan. In Azerbaijan, our security contractor has employed a full-time

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training manager to ensure continued new recruit and refresher training on security and human rights.

Assessment of company policies and procedures relating to security and human rights has been an important component in screening and selection of private security contractor support for our business in Iraq.

Also in Iraq, we have included a commitment to implement the Voluntary Principles in the technical service agreement for the Rumaila contract area near Basra. This was signed between BP and the Iraqi government in November 2009.

*(12) Examples of outreach, education and training for personnel, private security, public security and civil society*

Training continues to be a significant area of focus at our liquefied natural gas (LNG) project in Tangguh, Indonesia, supported by BP within the framework of our 'integrated community-based security' (ICBS) programme.

From 5 to 9 December, BP's Tangguh security team participated in a third joint training exercise with the Papua police. The exercise provided opportunities to test civil disturbance management plans and procedures and adherence to the Voluntary Principles in volatile crowd situations. It included nearly 200 participants, comprising 116 police officers, mainly from Bintuni Region, 30 BP Security Guards, 50 employees (as role play demonstrators), and some observers which involved military officers, local NGO members, and some local journalists. In all, the exercise included three days of preparatory training, a one-day table top exercise, and then a one-day exercise in the field. The demonstrations included a simulation at sea and on-site.

By the end of 2010, all of the 320 guards working at the LNG facilities in Tangguh had received basic human rights-related training. Some 95% of the guards employed come from the local communities around the facilities. Further Voluntary Principles-related training was provided for 64 police and military personnel in Bintuni and Fakfak during the first quarter of 2010. More than 120 police, mobile brigade and military officials have attended training covering civil disturbance management, community policing and the Voluntary Principles since 2009.

We continue to support capacity building for the Georgian government's Strategic Pipeline Protection Department (SPPD), delivered through an international security and training consultancy. The SPPD is the security service assigned by the government to protect the BTC and South Caucasus pipelines in Georgia. The assistance programme involves regular review and discussion of the training received by SPPD on human rights relevant to law enforcement, and of the community relations and policing aspects of their activities. Our support for training on security and human rights dates back to 2004.

We see positive signs in terms of the impact of this support. For example, our training consultant recently commented on how the SPPD "has become a full-time community police force and emergency service," operating in extreme mountain winter conditions for more than half the year. "This is a point noted by separate auditing agencies, who speak positively of SPPD in regard to both its interaction with local communities and its adherence to the Voluntary Principles on Security and Human Rights."

In March 2010 around 70 guards from our private security contractor in Georgia attended a three-day refresher course, including sessions relating to security and human rights. This followed up on similar sessions conducted for Intersecurity guards in October, November and December 2009 in Tbilisi, Supsa and Akhaltsikhe. BP Georgia's security manager and security and human

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rights coordinator directly participated in the 2009 training, helping with specific role play exercises.

In Colombia we continued to support education for public security in international humanitarian law (IHL), through our sponsorship of the IHL military training track in Cupiagua. Some 5,230 army troops from the 16th Brigade attended courses at the facility during 2010. We also sponsored a fifth workshop on human rights, IHL, and the International Criminal Court for 30 officers from police and military units in Casanare as well as from the Human Rights Offices of the military units located in Casanare.

In Azerbaijan, we have been engaging the government and facilitating training on human rights-based security for public security personnel involved in protecting BP operations since 2004. For example, in 2010 we facilitated a workshop on security and human rights for 40 officers from the Azerbaijan Navy. Participants included senior officers serving at the naval command centre, as well as officers deployed on vessels at sea. The workshops involved table-top discussions of scenarios involving potential use of force situations at sea – such as in responding to civilian vessels encroaching on the exclusion zone of a platform.

During 2010, our contracted security provider in Pakistan provided human rights-related instruction for guards, including daily morning briefings and periodic classroom-based induction training covering topics such as weapons safety and use-of-force principles.

In Iraq we commissioned an external assessment and held a workshop with an international training NGO to identify issues around our engagement with the government's Oil Police Force (OPF), the public security branch assigned to protection of the Rumaila field. We expect this work to inform any future cooperation with the OPF on training support aligned with the Voluntary Principles.

### *(13) Company procedures to review progress on implementing the Voluntary Principles*

For projects and operations where we have identified risks related to Voluntary Principles adherence, we periodically conduct internal assessments to identify gaps and areas where implementation can be improved. We have also developed a standard evaluation framework to help assess our performance. This includes performance indicators on risk assessment, transparency, response procedures, training and contracting.

During 2010 internal reviews were conducted in Azerbaijan, Georgia, Indonesia and Pakistan. Each review involved advisors from our central Group Security function, providing an independent view on risk to the business. The executive summaries of the Azerbaijan and Georgia reviews are publicly available online.<sup>4</sup>

In certain locations independent monitoring continues to provide an important source of assurance on security and human rights risk management. In Indonesia, the Tangguh Independent Advisory Panel (TIAP), which advises BP on the economic, political and social impacts of the Tangguh LNG project in West Papua, will shortly publish its eighth report. The panel's scope includes providing external advice on BP's performance in identifying and managing human rights risk relating to security arrangements. Its reports are available online.<sup>5</sup>

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<sup>4</sup> For the Azerbaijan review go to: <http://www.bp.com/sectiongenericarticle.do?categoryId=9008490&contentId=7015691>  
For the Georgia review go to: <http://www.bpgeorgia.ge/go/doctype/1339/23441/>

<sup>5</sup> See <http://www.bp.com/sectiongenericarticle.do?categoryId=9004751&contentId=7008791>

External monitoring continued in 2010 in Azerbaijan through the independent Social Review Commission. This is chaired by David Rice, senior associate at the University of Cambridge Programme for Industry and includes NGO representatives, human rights experts and an economics student from the Azerbaijan State University.<sup>6</sup> In 2010 the Commission published its fourth report on BP's economic and operational impacts in Azerbaijan, including its performance on the Voluntary Principles. The report stated that "BP's internal processes for VP monitoring, its efforts in training and implementing security and human rights, and its Inter Agency Security Committee are regarded by the Commission as excellent. It is still our view however that external monitoring provides challenge in a way that internal processes cannot, and should be considered as added assurance for BP Azerbaijan's security arrangements. The polling of community views that has been conducted with regard to security is good practice and should be repeated in future years to understand what communities think and feel."<sup>7</sup>

#### **D. Lessons and issues**

##### *(14) Lessons and issues from this reporting year and outlook for 2011*

A significant development during 2010 was the sale of our exploration and production business in Colombia. Our experience in Casanare, particularly during the 1990s, was the source of important lessons learned, including on the way we engage host government security, manage requests for assistance and respond to incidents. The integration of human rights considerations into security management processes in Colombia is an approach that we continue to encourage in our other operations. Another legacy is the international humanitarian law training track in Cupiagua, which we have helped to fund. Training at the facility combines classroom time and re-enactment of situations through role play, and more than 20,000 soldiers have gone through the course since it was inaugurated in 2003.

Looking ahead to 2011, we will continue to promote implementation within a consistent broad framework, with mitigation measures tailored to local needs. The need for flexibility, avoiding a 'one size fits all' approach to implementation, has been a key learning from several years of experience in BP. Another priority is to ensure that our projects and operations are undertaking sufficiently robust risk assessments to identify security and human rights issues associated with their activities. The roll-out of BP's environmental and social group defined practice helps to reinforce this approach. The start of new implementation activities in Iraq and the continuation of good practices in our more mature operations, such as Azerbaijan, Georgia and Tangguh, will also be key areas of focus.

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<sup>6</sup> For information about the ASRC members: [www.bp.com/genericarticle.do?categoryId=9006625&contentId=7038504](http://www.bp.com/genericarticle.do?categoryId=9006625&contentId=7038504)

<sup>7</sup> The ASRC report for 2010 together with the business's response is publicly available here: <http://www.bp.com/genericarticle.do?categoryId=9006625&contentId=7037156>