



Fraud and Misconduct Reporting Standard

*Reporting and investigating fraud and
misconduct breaches*

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1. Introduction

BP is committed to fulfilling the obligation that all incidents, allegations and suspicions of fraud and misconduct and other breaches of the Code of Conduct are appropriately reported, investigated and disclosed. The manner in which an incident is investigated may affect BP's reputation as much as the incident itself.

This Fraud and Misconduct Reporting Standard (the "Standard") brings together existing best practice to define a consistent approach for reporting and investigating suspicions, allegations and incidents across the Group.

It is BP's policy to comply fully with all applicable statutory and other local regulations. BP recognises that the global and varied nature of its operations requires compliance with a variety of regulatory requirements. If a conflict arises whereby this Standard appears to indicate a lower level of compliance than required by a relevant regulatory requirement, then the applicable regulatory requirement will be followed and the conflict brought to the attention of the General Counsel and the General Auditor (who is the owner of this document).

HSE incidents and near misses should continue to be reported and investigated through the appropriate channel in accordance with OMS or gHSEr.

This Standard is an important part of BP's System of Internal Control.

1.1. Principles

The principles of this Standard are that all suspected frauds, misconducts and other breaches of the Code of Conduct are required to be reported immediately and that all personnel have a duty to report all breaches that they become aware of, suspect or are reported to them.

The Standard defines the required procedures and thresholds for reporting incidents, allegations and suspicions of fraud and misconduct and other breaches of the Code of Conduct and for conducting investigations.

Only authorised persons specified by this Standard, or those with appropriate authority under the System of Internal Control or by delegation, can instigate, and only Accredited Investigators can conduct, any consequent investigations.

1.2. Definition of fraud and misconduct

A fraud and misconduct "Incident" refers to all incidents, allegations and suspicions where there has been, or could be, a breach of the BP Code of Conduct (excluding Operational Health, Safety and Environmental issues), whether internal or external (e.g. perpetrated by customers, suppliers, or any other party), that impacts the Group, regardless of materiality¹.

Reporting of Incidents is the responsibility of all employees. Any employee who has any information relating to Incidents either committed or to be committed must report in accordance with this Standard. Failure to report such Incidents in accordance with

¹ To ensure the Group complies with the requirements of the Sarbanes-Oxley Act 2002 and other regulatory obligations, there must be no materiality limit

this Standard is inconsistent with BP's commitment to integrity and may be considered a breach of the Code of Conduct.

HSE incidents and near misses should continue to be reported and investigated through the appropriate channel in accordance with OMS or gHSEr.

1.3. Tolerance threshold

In addition to BP's commitment to fulfil reporting and other relevant obligations, it is BP's policy not to tolerate any breaches of its Code of Conduct. Appropriate disciplinary and mitigating actions will be undertaken after due consideration of the facts surrounding any such Incident.

2. How to report

2.1. Reporting concerns

This section sets out the requirements for reporting a fraud or misconduct Incident. The purpose of these requirements is to ensure that all Incidents are reported and investigated in a consistent manner. This enables the Group to respond effectively to related threats to its personnel, assets and reputation in a proportionate and consistent manner.

There are three methods of reporting concerns:

1. Through internal reporting lines;
2. Through BP's confidential helpline, *OpenTalk*.
3. Through other Responsible Bodies, such as the BP US Ombudsman's Office and the US IST Independent Monitor.

Internal reporting lines

Personnel are encouraged to speak up and to raise concerns regarding Incidents through normal internal reporting lines, usually their line manager. Personnel may also receive reports about Incidents from non-BP sources. These should be raised in the same manner.

Each Strategic Performance Unit Leader ("SPUL") or Head of Function will designate the Fraud and Misconduct Responsible Person(s) ("FMRP") for their SPU / Function.

These FMRPs will be responsible for assessing reported Incidents and entering them into the Group's Fraud and Misconduct Reporting System (FMRS) in accordance with this Standard.

The intent is that the FMRP responsibilities will be held by individuals with relevant experience e.g. Compliance and Ethics Leaders ("CEs"), Human Resource representatives, Business Security Managers and CFO's.

Any line manager who receives a report about an Incident must immediately inform their relevant FMRP. Employees should contact their relevant FMRP directly if they do not feel comfortable raising an Incident with their line manager.

If personnel do not feel comfortable reporting Incidents through their normal SPU or Function reporting lines they may report Incidents directly to other senior executives who will report the Incident to their FMRP. Incidents may also be reported to members of Group Security, Human Resources, Legal, Group Compliance & Ethics, Internal Audit or other Functions and those Functional representatives will immediately report the incident to their FMRP.

OpenTalk

Any person who is not comfortable raising concerns through internal reporting lines is encouraged to use BP's independently run and confidential helpline *OpenTalk*. This helpline operates 24 hours a day and personnel may feel comfortable raising concerns through OpenTalk without fear of reprisals.

BP will do everything reasonably possible to protect a person who has honestly detected and/or reported an Incident from any form of retaliation.

A link to the FMRS system is set out below. Contact details for *OpenTalk* are also provided.

- FMRS can be accessed by FMRPs at <https://www.incidentform.com/BP.jsp>
- *OpenTalk* can be contacted as follows

Telephone (UK):	0800 917 3604
Telephone (US and Canada):	1 800 225 6141
Telephone: (Other Global Locations):	+1 704 540 2242 (collect call)
Fax:	+1 704 556 0732
Letter:	BP <i>OpenTalk</i> , 13950 Ballantyne Corporate Place, PMB 3767, Charlotte, NC 28277, USA.
Online Form:	https://www.opentalkweb.com/

Other Responsible Bodies

Employees also have the right, in particular jurisdictions, to report Incidents directly to other Responsible Bodies. These include the BP US Ombudsman's Office and the US IST Independent Monitor.

2.2. Completing a FMRS Incident Form

The FMRS Incident form is an internet-based form that is submitted directly to the independent Group Fraud & Misconduct Investigation Team ("FMI Team"). Only FMRPs should complete FMRS Incident forms. In the case of Incidents reported into *OpenTalk*, the OpenTalk Case Manager acts as the FMRP for reporting purposes.

FMRPs must submit details of all “Group Reportable” Incidents into the FMRS immediately after completion of any necessary initial fact finding. Group Reportable Incidents are defined in *Appendix 1*.

These Group Reportable Incidents will be categorised as follows:

- Level 1 – The small number of incidents potentially involving significant regulatory risk or financial loss, involving senior members of BP management (e.g. Group Level Leaders), or significant internal control deficiency or reputational impacts.
- Level 2 – All other incidents

Level 1 incidents will be investigated independently of the business, overseen and co-ordinated by the FMI Team and supported by other Functions and SMEs as appropriate.

The investigation of all other incidents will generally be managed by the SPU / Function FMRP in consultation with the FMI Team and the SPU Leader, Head of Function or their delegate.

Where an FMRP assesses that the Incident does not meet the criteria for “Group Reportable”, the FMRP decides whether a “local investigation” is required. If an investigation is to be held a FMRS incident form should be submitted, in order to record the existence of the investigation for reporting purposes. On completion of the investigation an update must also be submitted to the FMRS. If the facts indicate that the Incident has become Group Reportable then it must be re-submitted in the FMRS as such.

If the FMRP, after appropriate consultation with subject matter experts, decides that a local investigation is not required for such Incidents, then the Incident is handed to the most appropriate Function or individual to deal with the matter in the normal course of business.

For all Group Reportable Incidents, it is important that all known details of the Incident are entered on the form to enable the FMI team to:

- Evaluate the potential validity and seriousness of the report;
- Make informed recommendations as to the necessary course of action; and
- Report effectively, enabling BP to meet internal business and external obligations.

The FMRS form requires the FMRP to classify the Incident. A schedule of these classifications including definitions is attached as *Appendix 2*. It is important that this classification is completed correctly to enable the proper allocation of an Incident to the appropriate assessors, investigators or subject matter experts and to enable effective reporting and analysis.

2.3. Escalating reports

The SPU Leader, Head of Function or their delegate should be immediately informed of investigations into Group Reportable Incidents by the FMRP or FMI team unless there are suspicions implicating that individual, in which case the appropriate Managing Director should be informed.

Some Incidents may also be of such a serious nature that they require immediate referral to senior levels of management and/or other responsible subject matter experts within the Group (e.g. Legal, Head of IST Compliance, Head of Safety & Operations, Group Compliance & Ethics Officer, Money Laundering Reporting Officer and Head of Group Security). The FMI Team ensures that the appropriate escalation of the Incident report occurs in a prompt and consistent manner. These matters are reported into the FMRS and the investigative response is instigated and monitored (and in most cases managed) by the FMI Team.

Where such Incidents are reported directly to senior executives, Regional Security Advisers, Group Compliance & Ethics or Legal, these individuals will report these matters to their FMRP to ensure entry into the FMRS and the appropriate investigative response to be managed by the FMI Team.

2.4. External reporting

All reporting of Group Reportable Incidents to external authorities, such as the Police or regulators, must be undertaken by a person appropriately authorised by the SPU Leader, Head of Function, the General Auditor (GA), the General Counsel or the Head of Group Security, who will seek any legal advice they deem appropriate. Such reporting should be reported in the FRMS.

Matters relating to Incidents that require mandatory reporting to specific external authorities by specific offices (such as potential breaches of financial regulatory requirements by nominated IST Compliance officers or Suspicious Activity Reports to the Serious Organised Crime Agency by the Money Laundering Reporting Officer) will be reported by these specific offices and to the FMI Team for entry into FMRS.

2.5. Retaliation

BP will not tolerate retaliation against any person who has reported an Incident. BP will do everything possible to protect, from any form of retaliation, a person who has in good faith made a report. However, anyone who raises a matter falsely or maliciously may themselves become subject to an investigation.

3. Commencing an investigation

For Group Reportable Incidents, no investigation may be commenced within the Group without first reporting the Incident into the FMRS. This does not preclude personnel taking timely or preventative action where there is imminent danger to life, health or BP assets, to safeguard evidence or avoid compounding further breaches of regulatory requirements.

For incidents that are not Group Reportable, the case must be reported into the FMRS as soon as is possible and preferably before the investigation proceeds.

The manner in which an Incident is investigated may affect BP's reputation as much as the Incident itself. The process for commencing an investigation as set out in this Standard must be followed to ensure all Incidents are properly recorded and then appropriately and consistently investigated in accordance with the Investigation Management Control Process and the BP Investigation Guidelines.

Where an investigation is required the relevant FMRP and the FMI Team will (under BP Legal direction if appropriate) identify appropriate Accredited Investigators (such as local Group Security Regional Security Advisers, Business Security Managers, local HR representatives) to conduct an investigation under the Investigation Management Control Process and the BP Investigation Guidelines, and will be responsible for ensuring the results are recorded into the FMRS. As a result of their roles and related external legal and regulatory obligations, delegated executives (such as Group General Counsel, Chairman and President of BP America, SPU Leaders, Heads of Function, and the Group Compliance & Ethics Officer) have the authority to initiate investigations of Group Reportable Incidents. Any such investigation must be immediately discussed with the General Auditor or Head of the FMI Team and (unless the circumstances explicitly do not allow this) reported in FMRS and must be conducted in accordance with the Investigation Management Control Process and the BP Investigation Guidelines. This discussion is to ensure that the appropriate skill sets and legal protection are applied to the investigation.

BP is committed to the fair treatment of employees and recognises the potential adverse impacts of allegations which ultimately prove unfounded. In recognition of this, communication will be kept to a minimum until after the Initial Fact Finding and Evaluation has concluded that there is sufficient predication for an investigation.

In summary, all investigations are recorded in the FMRS. All investigations of Group Reportable Incidents are commissioned and managed or overseen by the FMI Team or executives with the appropriate delegation of authority. All investigations are undertaken by Accredited Investigators, in accordance with the Investigation Management Control Process and the BP Investigation Guidelines, and are reported to appropriate business leadership.

4. Other

4.1. Fraud and misconduct educational and awareness materials

In order to ensure consistency with, and effective application of, this Standard, all training and awareness materials containing detailed representations about how incidents, allegations and suspicions of fraud and misconduct and other breaches of the Code of Conduct are reported, assessed and investigated within BP must be logged with and approved by the FMI team before distribution or delivery. This includes:

- Internal and external training materials and presentations;
- OneBP materials and references
- Professional articles;
- Seminars; and
- Presentations.

References to, and summary representations of, such materials prepared by Legal, Group Security, Group Compliance & Ethics and Internal Audit should be logged but do not require pre-approval.

4.2. Further Assistance

How incidents, allegations and suspicions of fraud and misconduct and other breaches of the Code of Conduct are reported, assessed and investigated within BP is governed by this Standard. How investigations are conducted and governed throughout BP is described in the Investigation Management Control Process. Expectations of the procedures, tools and techniques to be used in conducting investigations in BP are set out in the BP Investigation Guidelines Document.

If you require any further guidance or assistance in the implementation of this Standard or training in responding to fraud and misconduct incidents or allegations, please contact the FMI Team.

OMS or gHSEr sets out the appropriate channels for HSE incidents and near misses to be reported and investigated.

If you have any comments and suggestions in relation to this Standard or BP's overall framework for responding to and investigating Incidents of fraud and misconduct, please contact the FMI Team who will periodically re-consider and amend the relevant Standard, Control Process and Document.

The FMI Team reports to the General Auditor and is accountable to the Fraud and Misconduct Committee. The Fraud and Misconduct Committee's ex officio members are the General Auditor (Chair), General Counsel, Head of Group Compliance & Ethics, Head of Group Security and Human Resources VP Employee and Industrial Relations.

4.3. References

BP Code of Conduct
BP Investigation Guidelines
BP Anti-Money Laundering Standard
BP Investigation Management Control Process
IST Global Trading Guidelines

APPENDIX 1: Group Reportable Incidents

BP defines the following incidents, allegations and suspicions² of fraud and misconduct or other breaches of the Code of Conduct (“Incidents”) as being “Group Reportable”:

- All Incidents that include allegations or suspicions of:
 - Fraud;
 - Deliberate inaccurate recording, or deletion of data that is not clearly inconsequential;
 - Conflicts of interest that are not clearly inconsequential, including where the involved subject(s) are suspected of fraudulent activities, such as self-dealing, financial gain (directly or indirectly) and/or the misuse of company assets (e.g. time, resources etc.).
 - Bribery;
 - Corruption;
 - Money laundering;
 - Breaches of trade restrictions, export controls and sanctions
 - Anti-competitive / antitrust behaviour;
 - Market manipulation;
 - Insider trading;
 - Unauthorised political activity and payments;
 - Obstruction of justice or interference with an investigation;
 - Any incident where there is a potential breach of a significant law or regulation;
- Any Incident that involves senior members of BP management (Group Level Leaders, Business Unit Leaders, Site Leaders and Chief Financial Officers).
- Any Incidents that indicate a deficiency or manipulation of internal controls.
- Any other Incident where there is a potential financial, reputational or regulatory risk that could be significant to the Group or a local operating company. For example the following breaches of the Code of Conduct where certain materiality thresholds are met:
 - Acts of theft of assets valued at more than \$10,000.
 - Theft of intellectual property - where that information is of a restricted nature or significantly valuable to BP.
 - Dishonest uses of the intellectual property of others where BP could potentially be exposed to litigation or reputational damage should the fact become known.
 - Deliberate breaches of IT systems where there is any indication of control weakness.
 - Failure to adhere to policies in relation to gifts & entertainment where the recipient is a government official or in any way associated with a government body.
 - Unauthorised external communications where the information was inaccurate or misleading and there is a potential reputational or regulatory risk.
 - Any breaches that could capture significant media attention or otherwise seriously damage the reputation of the Group.
 - Breaches of data security or privacy that may have significant legal or reputational impact on the Group.

² Some allegations and suspicions may require preliminary fact finding by the FMRP prior to reporting such that accurate reports can be submitted. This fact finding must be kept to the minimum.

- Any Incident where a BP third party (e.g. supplier, contractor) is alleged to have taken action that would be considered “Group Reportable” if it were committed by an employee related to its business interactions with BP and is not clearly inconsequential.
- Any Incident not fulfilling the above-noted criteria and that cannot be independently or confidentially investigated by the FMRP within the relevant SPU or Function.

Frequency

When considering the above factors in determining if an Incident is “Group Reportable” frequency and proliferation must be taken into account. For example, multiple reports regarding a minor Incident may indicate a more significant underlying issue, a systemic problem or a deficiency in internal control.

If you are in any doubt as to whether an Incident fulfils the criteria to be reported, then you must report it to the FMI Team through the FMRS.

APPENDIX 2: Classification of Incidents

Each report into the FMRS will need to be classified on submission of the report. The following definitions are intended to provide additional assistance to FMRPs when classifying Incidents. Additional guidance may be obtained by referring to the BP Code of Conduct, to relevant BP Standards or by contacting the FMI Team.

Classification	Description
Fraud	<p>'Fraud' can be generally defined as any behaviour whereby one party intends to gain a dishonest advantage over another or to cause loss to another or to expose another to a risk of loss.</p> <p>Fraud covers any deliberate deception that generally involves the following:</p> <ul style="list-style-type: none"> • Dishonest manipulation or falsification of company records or accounts. • Dishonestly making a false representation that is untrue or misleading and the person making the representation knows it is, or might be, untrue or misleading. The representation may be express or implied. • Dishonestly failing to disclose information which the person is under a legal duty to disclose. • Dishonest abuse of position in which a person is expected to safeguard or not act against the financial interests of another person. <p>Examples of fraud include:</p> <ul style="list-style-type: none"> • financial statement fraud - recording fictitious revenues, manipulation of timing of transactions, concealing liabilities or expenses, incorrect or misleading disclosures or asset valuations. • Conflicts of interest / procurement fraud - collusion with suppliers, collusive bidding, false invoicing schemes, personal purchases with company funds. • Payroll fraud - ghost employees, falsified hours or salaries, sales commission falsifications. • Expenses Schemes - overstated and/or fictitious expense claims, over-purchasing, claiming for personal expenses. • Theft involving manipulation of records • Cheque tampering / skimming schemes • Other falsifications

Classification	Description
Inaccurate or incomplete data, records, reporting or accounting	Deliberate inaccurate recording of data can include financial as well as non-financial data. This class of breach will generally be classed as fraud.
Failure to protect BP's assets	<p>Misuse or waste of BP assets including property, time, proprietary information, corporate opportunities and company funds, as well as personal company equipment where the suspected breach does not fall under the definition of fraud.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Theft (where a deliberate deception is involved in the act, such as falsification of documents, it would be classified as fraud). • Not taking reasonable care with BP equipment or assets. • Abuse of company equipment for personal use. • Undertaking an unreasonable amount of personal activities during company time (dishonest recording of hours worked would fall under the definition of fraud). • Theft or failure to take reasonable care to protect BP intellectual property and confidential information.
Breaches of Intellectual Property and copyright of others	Dishonest and inadvertent disclosure, and misuse, of confidential intellectual property and protected information of others.
Commodity Trading Incident	Breaches of financial regulatory requirements including, but not exclusively, market manipulation or abuse.
Insider Trading	<p>Trading on the basis of "inside information" in shares or other securities or instruments (including derivatives) of BP, any BP company, or any other company.</p> <p>This includes cases of restricted employees dealing in BP shares and securities without seeking proper approval.</p>
Improper digital systems use and security breaches	Misuse of BP digital systems for personal or unauthorised use and deliberate breaches of BP's digital security guidelines.
Unfair treatment or unequal employment opportunity	<p>Any unfair treatment of employees or contractors, including discrimination in the form of race, colour, region, gender, age, national origin, sexual orientation, gender identity, marital status or disability.</p> <p>Recruitment selection, development and advancement not based on merit.</p> <p>Not adhering to applicable labour and employment laws.</p>

Classification	Description
Abuse or harassment in the workplace	Any form of abuse or harassment, in any company workplace, toward employees, contractors, suppliers, customers or others.
Breaches of privacy and employee confidentiality	Deliberate abuse or negligent failure to adhere to BP policies in respect of personal data.
Breaches of Gifts & Entertainment policies	<p>Failure to adhere to BP policies in respect to the giving or receiving of gifts and entertainment.</p> <p>Instances in which the recipient of the gift or entertainment is a government official, or is in any way related to business with governments in any location that BP operates will always be a significant incident and must be escalated.</p>
Conflicts of interest	Failure to comply with the BP Code of Conduct in respect of interests that could interfere or have the potential of interfering with the employee's loyalty and objectivity towards the Group.
Competition & anti-trust violations	<p>Any potential breaches of Competition/anti-trust legislation, being laws that promote or protect free and fair competition around the world. Anti-competitive behaviour includes talking with or exchanging information with competitors to:</p> <ul style="list-style-type: none"> • Fix prices • Fix terms • Divide up customers, markets or territories • Limit production, including agreements to shut down capacity • Rig competitive bidding processes (i.e. agreeing to submit sham bids).
Breaches of Trade restrictions, export controls and sanctions	Any breaches on restrictions on exports and dealings with boycotted countries
Money Laundering	Money laundering can include any action (including use, transfer or retention) in relation to the proceeds of crime (including cash and other property) of any crime, however minor.

Classification	Description
Favouritism, Conflicts of Interest and other improper supplier relationships or management	Breaches of the Code of Conduct in respect of the selection of supplier such as favouritism, conflict of interest, using suppliers who do not comply with legal requirements and act in a manner that is inconsistent with BP's Code of Conduct or supplying other parties with a supplier's confidential information.
Bribery & Corruption	The giving or receiving of an undue reward to influence the behaviour of someone in government or business to obtain or retain commercial advantage.
Improper relations with Governments	Providing untruthful or inaccurate data in relation to routine or non-routine enquiries to a government or regulatory agency enquiry or investigation, including attempts to obstruct, conceal, alter or destroy data.
Improper behaviour in relation to community engagement programmes	Non-notification of engagement in dialogue with NGOs in advance.
Unauthorised External communications	Unauthorised external communications with members of the investment community (e.g. shareholders, brokers, investment analysts, pricing agencies etc).
Unauthorised Political Activity	<p>Involvement on direct corporate political activities or political contributions, including unauthorised lobbying.</p> <p>Personal political activity that has an adverse impact on your work or failing to make clear that views or actions are not those of BP.</p>

APPENDIX 3: Glossary of Terms

Term	Description
Accredited Investigators	Members of BP who have fulfilled the requisite investigations training and competence requirements
CEL	Compliance and Ethics Leader
FMC	The Fraud and Misconduct Committee which includes the General Auditor (Chair), General Counsel, Head of Group Compliance & Ethics, Head of Group Security and Human Resources VP Employee and Industrial Relations
FMI team	The Group Fraud and Misconduct Investigations Team - an independent team of specialist investigators
FMRP	Responsible Person for Fraud and Misconduct reporting and investigations within a SPU or Function. For OpenTalk incidents, the OpenTalk Case Manager acts as the FMRP
FMRS	Fraud and Misconduct Reporting System; a central database of all Incidents reported and investigated within the BP Group
FMRS Incident Form	Internet-based form for registration of an Incident on the FMRS, submitted directly to the independent Group Fraud and Misconduct Investigation Team (FMI Team)
Incident	A fraud and misconduct incident; including all incidents, allegations and suspicions that there has been, or could be, a breach of the BP Code of Conduct (excluding Health, Safety and Environmental issues) as further described in this Standard
OpenTalk	BP's independently run and confidential helpline
Responsible Person	Refer to "FMRP"