



BP / EPA Administrative Agreement

2015

Annual Report

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Table of Contents

Preface	1
List of Acronyms and Abbreviations	3
Section V – Compliance with Other Agreements	5
Section VI – Coordination With Plea Agreement Monitors	9
Section VII – Ethics & Compliance	13
Section VIII – Corporate Governance	39
Section IX – Process Safety	45
Section X – BP Covered Entities’ Annual Reports	51
Attachment X.1.E – Findings of the EPA Independent Auditor	55
Attachment X.1.G – List of BP Covered Entities	59
Attachment X.1.H – Report of Leading and Lagging Indicators	63
Section XI – EPA Independent Auditor	75
Section XII – General Provisions	79

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Preface

Executive Summary

On March 13, 2014, BP entered into an Administrative Agreement (Agreement) with the United States Environmental Protection Agency (EPA), for a term of five years, to resolve all suspension and debarment matters arising from BP's Deepwater Horizon, Alaska Prudhoe Bay, and Texas City Refinery incidents as specified in the Agreement. Section X (BP Covered Entities' Annual Reports) of the Agreement requires BP to prepare and submit a consolidated report annually, describing the measures taken during the previous calendar year to ensure compliance with the Agreement. The report that follows (2015 Annual Report) summarizes the activities undertaken during the 2015 calendar year by the applicable BP Covered Entities, pursuant to Sections V through XII of the Agreement. This report is structured to align with each of the sections of the Agreement (Section V through XII). Each section of the Annual Report corresponds to the same section of the Agreement. In addition, as required by Section X, documentation evidencing compliance with the Agreement will also be provided to the EPA Authorized Representative, the EPA Independent Auditor (Auditor) and the Independent Ethics Monitor (Ethics Monitor) as an accompaniment to this report.

The Agreement was initially applicable to 25 BP Covered Entities, including Respondents, Group US Businesses, Covered Affiliates, and BP Affiliates with Foreign Business as shown in Table P.1. Following the Modification to the Agreement, executed on December 24, 2014, the seven Non-Group US Businesses, highlighted in Table P.1, were excluded from the Agreement, and, with effect from May 20, 2014, were no longer subject to the terms of the Agreement or the Scope of Independent Auditor's Compliance Duties, as described in paragraph 3 of Section XI. Table P.2 shows how each of the entities designated as a Group US Business in Table P.1 has been aligned into a tracking and reporting structure used in the compliance assurance process. BP p.l.c. is not a Group US Business, and is not included in the reporting related to Group US Employees or Group US Businesses.

Throughout 2015, BP continued to enhance its systems and processes to facilitate tracking, reporting, and documenting completion of the activities and compliance with the terms specified in the Agreement. In addition, following receipt of the reports of the Auditor and the Ethics Monitor during 2015, BP has continued to develop and improve its processes, as appropriate, to address the findings of the Auditor and embed the recommendations of the Ethics Monitor.

Table P.1: BP Covered Entities by Type

BP Covered Entity	Acronym	Entity Type 1	Entity Type 2
BP p.l.c.	BP	Respondent	
BP America Inc.	BPA	Respondent	Group US Businesses
BP Exploration & Production Inc.	BPXP	Respondent	Group US Businesses
BP Products North America Inc.	BPPNA	Respondent	Group US Businesses
BP Exploration (Alaska) Inc.	BPXA	Respondent	Group US Businesses
BP Corporation North America Inc.	BPCNA	Covered Affiliate	Group US Businesses
BP America Production Company	BPAPC	Covered Affiliate	Group US Businesses
BP West Coast Products LLC	BPWCP	Covered Affiliate	Group US Businesses
BP Energy Company	BPEC	Covered Affiliate	Group US Businesses
Atlantic Richfield Company	ARC	Covered Affiliate	Group US Businesses
BP Amoco Chemical Company	BPACC	Covered Affiliate	Group US Businesses
BP Company North America Inc.	BPCoNA	Covered Affiliate	Group US Businesses
Standard Oil Company	SOC	Covered Affiliate	Group US Businesses
BP Marine Americas	Marine	Covered Affiliate	Group US Businesses
IGI Resources, Inc	IGI	Covered Affiliate	Group US Businesses
Castrol Marine Americas	Castrol	Covered Affiliate	Group US Businesses
BP Alternative Energy	BPAENA	Covered Affiliate	Group US Businesses
BP Pipelines (Alaska), Inc.	BPPA	Covered Affiliate	Group US Businesses
BP Oil International Limited	BPOIL	Covered Affiliate	Non-Group US Business
Air BP Limited	Non US Air	Covered Affiliate	Non-Group US Business
BP Marine Limited	Non US Marine	Covered Affiliate	Non-Group US Business
BP International Limited	BPI	Covered Affiliate	Non-Group US Business
BP Singapore	BPS	Covered Affiliate	Non-Group US Business
BP Australia PTY Limited	BPAPL	Covered Affiliate	Non-Group US Business
BP Global Investments Salalah & Co. LLC	BPGIS	Covered Affiliate	Non-Group US Business

Table P.2: BP Compliance Reporting Structure

Group US Businesses and Functions		BP Covered Entities Represented
Upstream	Alaska & Supporting Functions	BPXA, BPPA
	Gulf of Mexico & Supporting Functions	BPXP
	Lower 48 & Supporting Functions	BPAPC
	US Upstream Functions	BPAPC
Refining & Marketing	US Fuels Value Chain	BPPNA, BPWCP
	Air BP	BPPNA
	Lubricants	BPPNA, Castrol, Marine
	US R&M Functions	BPPNA
Petrochemicals	Petrochemicals	BPACC
Integrated Supply & Trading	US Integrated Supply & Trading	BPEC, BPPNA, IGI
Corporate Functions	BP America & US Corporate Functions	BPA, BPCoNA, BPCNA, SOC, ARC, BPAENA

List of Acronyms and Abbreviations

ACB	Annual Cash Bonus
BI	Business Integrity
BOEM	Bureau of Ocean Energy Management
BP p.l.c.	BP Public Limited Company
BPA	BP America, Inc.
BPXP	BP Exploration & Production, Inc.
BSEE	Bureau of Safety and Environmental Enforcement
CAP	Corrective Action Plan
CGB	Contracting Governance Board
CMS	Case Management System
COI	Conflicts of Interest
CWA	Clean Water Act
DDIII	Development Driller III drilling rig
E&C	Ethics & Compliance
ECC	Ethics & Compliance Committee
ECLs	Ethics and Compliance Liaisons
EPA	Environmental Protection Agency
EPA SDD	Environmental Protection Agency Suspension and Debarment Director
G&E	Gifts and Entertainment
GCE	Group Chief Executive
GE&CO	Group Ethics & Compliance Officer
GGC	Group General Counsel
GLs	Group Leaders
GoM	Gulf of Mexico
GWO	Global Wells Organization
HR	Human Resources
HSSE	Health, Safety, Security & Environment
ILT	Instructor Led Training
IBLA	Interior Board of Lands Appeals
IST	Integrated Supply & Trading
LMS	Learning Management System

LOPC	Loss of Primary Containment
MBAC	Main Board Audit Committee
MoC	Management of Change
NOJV	Non Operated Joint Venture
OCSLA	Outer Continental Shelf Lands Act
OMS	Operating Management System
PSCM	Procurement and Supply Chain Management
PSM	Process Safety Monitor
R&M	Refining & Marketing
RI	Responsible Individuals
RER	Risk Exposure Rating
S&OR	Safety and Operational Risk
SAM	System of Award Management
SEC	Securities and Exchange Commission
SEEAC	Safety, Ethics, and Environment Assurance Committee
SEMS	Safety and Environmental Management System
SLLs	Senior Level Leaders
SM	Supplier Management
SMEs	Subject Matter Expert
SRAs	Spot Recognition Awards
SVP	Share Value Plan
ToR	Terms of Reference
US	United States



BP / EPA
Administrative Agreement
2015
Annual Report
Compliance with Other Agreements
(Section V)

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1. Compliance with the Terms of Probation

BP Exploration & Production, Inc. (BXP) continues to comply with the terms and conditions of probation (Terms of Probation) as imposed by the U.S. District Court for the Eastern District of Louisiana at sentencing in the matter of *United States v. BP Exploration and Production Inc.*, 2:12-CR-00292-SSV_DEJ (E.D. La.), and entered by the Court on January 29, 2013.

In 2015, BXP complied with all of the Terms of Probation, including compliance with the Plea Agreement, Remedial Order, Implementation Plan and Judgment in the case. BXP's efforts to comply are detailed in the BXP Plea Agreement Annual Progress Report that is published by March 31 each year. A copy of the 2014 Annual Progress Report was provided to the EPA Authorized Representative on March 30, 2015. The 2015 Annual Progress Report will be provided to the EPA Authorized Representative once it has been published.

As required, BXP submitted to the EPA Authorized Representative and the EPA Independent Auditor all correspondence required to be submitted to the U.S., as described in the Implementation Plan.

In 2015, the Third Party Auditor did not identify any instances of non-compliance with the Implementation Plan by BXP. The Ethics Monitor and Process Safety Monitor did not identify any violations of the Terms of Probation or the Remedial Order during 2015.

No terms of the BP / EPA Administrative Agreement (Agreement) have been identified as conflicting with the Terms of Probation.

2. Compliance with the SEC Judgment Order

BP p.l.c. continues to comply with the terms and conditions of the SEC Judgment Order entered by the U.S. District Court for the Eastern District of Louisiana on December 10, 2012 in the matter of Securities and Exchange Commission v. BP p.l.c., 2:12-cv-2774-CJB-SS (E.D. La.).

In 2015, no correspondence was required to be submitted by BP p.l.c. to the SEC. The final installment in fines plus applicable interest was paid in 2014 in accordance with the schedule set forth in the Judgment Order, so no payments were made in 2015. As set forth in the Judgment Order, BP p.l.c. agreed to fund up to twenty-five million dollars (\$25,000,000) for administration costs associated with the "Fair Fund" established by the SEC. In 2015 BP p.l.c. was invoiced for and paid \$347,726.17 in administration costs associated with the Fund.

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BP / EPA Administrative Agreement

2015

Annual Report Coordination with Plea Agreement Monitors (Section VI)

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1. Reports of the Ethics Monitor and Process Safety Monitor

On March 30, 2015, the Ethics Monitor submitted the “Initial Report of the Ethics Monitor” to BP p.l.c. and the U.S. Department of Justice (DOJ). BPXP provided a copy of the report to the EPA Authorized Representative and the EPA Independent Auditor on April 7, 2015. On August 26, 2015 the Ethics Monitor submitted a revised, final version of that report to BP p.l.c., the DOJ, the EPA Authorized Representative and the EPA Independent Auditor.

On July 22, 2015, the Process Safety Monitor issued “The Report of the Process Safety Monitor” to BP p.l.c. and the DOJ. BPXP provided a copy of that report to the EPA Authorized Representative and EPA Independent Auditor on July 29, 2015.

2. Reports of the EPA Independent Auditor

On August 10, 2015, the EPA Independent Auditor issued the “2014 Report of the EPA Independent Auditor” to BPXP, the EPA Authorized Representative, the Ethics Monitor, the BPXP Third Party Auditor, and the Process Safety Monitor.

3. Reports of the BPXP Third Party Auditor

On August 14, 2015, BPXP received the 2014 Plea Agreement Third Party Auditor report. That report was submitted to the EPA Authorized Representative on August 17, 2015.

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BP / EPA Administrative Agreement

2015

**Annual Report
Ethics & Compliance
(Section VII)**

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1. Ethics & Compliance Program(s)

Throughout 2015, BP p.l.c. continued to maintain an independent Ethics and Compliance function (Group E&C) to support its operating businesses and functions. Group E&C is led by the Group Ethics & Compliance Officer (GE&CO) who reported directly to the Group General Counsel for BP p.l.c. and had direct access to the Chairpersons of BP's Main Board Audit Committee (MBAC) and Safety, Ethics, and Environment Assurance Committee (SEEAC).

The role of Group E&C is to promote ethics and compliance across BP, where appropriate in collaboration with other functions, by:

- Supporting BP businesses and functions in promoting an ethical culture and effective compliance risk management;
- Providing clear and appropriate Requirements and Programs for managing ethics and compliance risks;
- Monitoring and providing an independent view of ethics and compliance risk management BP-wide; and
- Intervening and escalating as appropriate to cause corrective action.

Figure VII.1-1 depicts the organizational structure that existed throughout 2015. With effect from April 1, 2016, the reporting structure changes such that the GE&CO reports to the Deputy Group Chief Executive, continuing to maintain independence from the operating businesses.

Figure VII.1-1: Independent Ethics & Compliance Function



1.1 Ethics Monitor Recommendations – BPXP Plea Agreement

The Independent Ethics Monitor (Ethics Monitor) has specific Monitorship responsibilities under both the BPXP Plea Agreement Remedial Order (Remedial Order) and the BP / EPA Administrative Agreement (Agreement). The Ethics Monitor concluded his initial review under the Remedial Order on October 31, 2014. On March 30, 2015, the Ethics Monitor submitted the “Initial Report of the Ethics Monitor” to BP p.l.c. and the US Department of Justice (DOJ). On August 26, 2015 the Ethics Monitor submitted a revised, final version of that report to BP p.l.c., the DOJ, the EPA Authorized Representative and the EPA Independent Auditor (Auditor). Within that report, the Ethics Monitor made recommendations focused on the following areas:

- Senior Management and the Board of Directors;
- Investigative Data Management System;
- Group Ethics & Compliance;
- Embedding Ethics and Compliance in BPXP/Gulf of Mexico (GoM); and
- Cultural Assessments.

Following the development of an action plan agreed with the Ethics Monitor, BPXP adopted the recommendations through submission of the agreed action plan to the DOJ in July 2015, and began working to implement the recommendations.

Consistent with the recommendations of the Ethics Monitor, the GE&CO continued to meet frequently with BP’s Board Committees to provide regular reports on the status of BP’s E&C program. In addition, BP’s Ethics & Compliance Committee (ECC) has increased its membership to include standing invitations to the CEOs of Upstream and Downstream and the Executive Vice President of Corporate Business Activity. The remit of Group E&C has been more clearly defined and posted to BP’s Intranet site.

As described in greater detail in Section VII.12, during 2015 BP began implementation of a consolidated Case Management System (CMS) which serves as a record for key facts relating to investigations and other concerns that are required to be reported under the BP Policy, *Management of Concerns and Investigations within BP* (Concerns and Investigations Policy). The GE&CO maintains full access to the CMS for purposes of analyzing trends relating to concerns and reporting to BP management, as well as executive and board leadership.

Efforts have been made to further embed ethics and compliance into the GoM business, including increased engagement with the BPXP Board and GoM Leadership Team, establishing expectations for leaders and managers regarding their role in leading in ethics and compliance, and engaging contractors¹ on BP’s Code of Conduct (Code). Actions implemented to date include:

- The GoM Ethics and Compliance Liaison (ECL) has led a series of risk reviews to identify the specific ethics and compliance risks that exist with the business and has assessed GoM’s engagement with its contractors on ethics and compliance topics to identify opportunities for further engagement;
- With support from the ECL, the GoM Leadership Team has begun conducting E&C risk reviews, leading periodic ethics and compliance discussions with their teams, and embedding ethics and compliance accountabilities into their 2016 MyPlan objectives; and
- In consultation with the GoM ECL, the assigned Group E&C representative has conducted an ethics and compliance review of GoM and has provided feedback to the business on the ECL’s performance.

¹Contractors includes suppliers, contingent labor and other third parties doing work for BP.

BP is continuing to implement the recommendations made by the Ethics Monitor in the Initial Report under the Remedial Order and will provide a further update on those activities in the 2016 Annual Report to the EPA.

1.2 Ethics Monitor Recommendations – BP / EPA Administrative Agreement

On July 2, 2015, the Ethics Monitor issued his “Initial Report of the BP Ethics Monitor for the U.S. Environmental Protection Agency” to BP and the EPA, based upon his initial review and evaluation of the programs set forth in Sections VII (Ethics & Compliance) and certain paragraphs of Section VIII (Corporate Governance) of the Administrative Agreement. Among the detailed recommendations made in the July 2, 2015 report, several reinforced those made in the initial report under the Remedial Order, and some expanded the recommendations made for GoM to the rest of the Group US Businesses. Within that report, the Ethics Monitor’s recommendations were focused in four areas:

- Management accountability for ethics and compliance within the businesses;
- The role of Group E&C in working with businesses and their ECLs;
- Development of a clearly defined communications strategy for ethics and compliance topics, encouraging open communication throughout the organization; and
- The role of the BP p.l.c. Board of Directors in supporting ethics and compliance.

Following the development of an action plan agreed with the Ethics Monitor, BP began working to implement the recommendations.

With respect to management accountability for ethics and compliance, and consistent with the activities undertaken in GoM in 2015, Group US Business leadership and the US subsidiary boards of directors are taking action to further embed ethics and compliance into the businesses and governance. This includes both an increased focus on ethics and compliance data, metrics and trends, as well as establishing expectations among management regarding their responsibilities for ethics and compliance.

Consistent with the recommendations, Group E&C, working with the Group US Businesses, reset the role of the ECL, formerly known as Ethics and Compliance Leaders. The ECLs have accountability for planning and assisting with implementation of an effective ethics and compliance program in their assigned business. Group E&C reset the role of the ECL and developed tools and resources to assist ECLs in supporting their businesses and functions. As a result, ECLs have begun taking on a more significant role in advising business leadership on ethics and compliance risks, mitigations and associated activities.

Several actions have been taken to enhance elements of the ethics and compliance program, for example:

- Group E&C’s remit has been updated and posted to BP’s Intranet;
- A new Conflicts of Interest Policy was issued;
- BP issued a new Disciplinary Policy which includes a statement that individuals who speak up and raise questions in good faith are not subject to retaliation; and
- BP America (BPA), working with Group E&C, has developed a strategic communications plan that demonstrates tone from the top, provides consistent and integrated messaging about ethics and compliance priorities, and integrates ethics and compliance into regular business communications.

With respect to the role of the BP p.l.c. Board of Directors in supporting ethics and compliance, as noted above, the GE&CO meets quarterly with the SEEAC and/or MBAC to inform them of ethics and

compliance metrics, trends and risks and report on the activities of Group E&C in response to the trends and risks. For example, during 2015, the SEEAC and MBAC concurred with the ECC as to the role of Group E&C, which was communicated in a revised remit.

BP is continuing to implement the recommendations made by the Ethics Monitor in the Initial Report under the EPA Agreement and will provide a further update on those activities in the 2016 Annual Report to the EPA.

2. Auditing Ethics & Compliance

BP conducts internal or commissions external audits of its businesses to verify that those businesses are managing and mitigating various risks, including key ethics and compliance risks. The role of BP's Group Audit is to consider whether BP's system of internal control is adequately designed and operating effectively to respond appropriately to risks that are significant to BP and to provide independent objective reports to relevant stakeholders.

In 2015, no external audits of ethics and compliance risks for Group US Businesses were commissioned. In the fourth quarter of 2014, BP submitted a proposed 2015 schedule including eight internal audits of Group US Businesses covering key risks such as anti-bribery and corruption, anti-money laundering, trading compliance and reporting controls. As of December 31, 2015 BP completed and submitted audit reports for six audits. Two of the eight scheduled audits were combined into a single audit, and the fieldwork for the eighth audit had not yet finished by the end of 2015. That audit report will be submitted once final.

3. Schedule of Audits

On December 28, 2015, in compliance with the Administrative Agreement, a schedule including seven internal ethics and compliance audits for 2016 was submitted to the EPA Authorized Representative, the Ethics Monitor, and the EPA Independent Auditor. No external audits of key ethics and compliance risks for Group US Businesses are planned for 2016.

4. Ethics & Compliance Staffing

As part of the Initial Reviews conducted by the Ethics Monitor under both the Remedial Order and the Administrative Agreement, the Ethics Monitor recommended a risk based approach for managing the Group E&C business facing travel budget.

5. BP Code of Conduct

5.A. BP p.l.c. shall maintain a Code of Conduct for BP Covered Entities

BP maintains a Code that sets out expectations regarding how employees, officers and board members are expected to act, provides guidance on when and how to report violations or potential violations of the Code, and details the ways in which those individuals can "speak up" to raise concerns, including the OpenTalk program. The Code also identifies BP Requirements (policies, procedures, and practices) and helpful resources to assist the workforce in making proper decisions. The Code is obligatory, without exception. Everyone in BP is accountable for upholding its requirements.

On July 1, 2014, a new, simplified Code was launched and made available both in hard copy and as a download from BP's Code of Conduct website. BP's Code covers five areas:

-
- Operational safety and reliability;
 - Employee matters;
 - Working with business partners;
 - Working with governments and communities; and
 - Financial and asset management.

The Code also includes a zero tolerance statement with regard to retaliation in any form against anyone who raises a good faith concern.

There were no changes made to the Code in 2015, and the principles, and requirements of the Code remain in effect. As noted previously, BP issued a Disciplinary Policy in September 2015 with the purpose of establishing fair, proportionate, and consistent methods of dealing with misconduct. Consistent with the Code, the Disciplinary Policy states that individuals who speak up and raise questions or concerns in good faith are not subject to retaliation in any form and confirms that BP does not tolerate retaliation.

5.B. Code of Conduct Certification

BPA maintains a performance evaluation system, MyPlan, which includes an annual Code certification component. On an annual basis, during the final performance management cycle that occurs between December 1 and February 15 each year, Group US Employees eligible to use MyPlan² submit an annual certification of their compliance with the Code for the previous year. For 2014, the certification occurred in February 2015.

In addition to the individual employee Code certifications, line managers using MyPlan also certified for the 2014 calendar year that they have held discussions with their direct reports about the Code, speaking up, the non-retaliation statement, and the potential for disciplinary action in cases of non-compliance with the Code.

For the 2014 calendar year, the MyPlan Code of Conduct Certification language stated:

I confirm that throughout 2014:

- I was familiar with and complied with the principles of the code of conduct;
- I was informed of BP's Speak Up channels, including the use of OpenTalk and BP's commitment to non-retaliation;
- I reported any breaches I was aware of;
- Where I had responsibilities as a manager/supervisor I held discussions with my direct reports about the above and discussed the potential disciplinary actions for non-compliance.

² Specific classes of Group US Employees (e.g., union members) are not required to use MyPlan for performance management. For 2014 MyPlan, 14,252 of 18,527 Group US Employees used MyPlan for performance management.

BP had 18,527 Group US Employees at December 31, 2014. Within that population, 14,252 were active MyPlan participants. Of those, 14,210 completed their 2014 Code certification as required by March 15, 2015. The 42 employees who did not certify were reviewed and identified as justified exceptions³ to the certification process.

The Code certification language in the 2015 MyPlan process and documents did not change. The completion of the 2015 MyPlan Code certification occurred in early 2016 and the status of completions will be reported in the 2016 Annual Report to the EPA.

As was done in 2014, Group E&C developed and distributed through the ECLs in the Group US Businesses, a Line Manager Toolkit to guide line managers in having Code conversations with their teams during 2015 MyPlan closeout discussions. The toolkit included stories designed to generate discussion around real life examples of Code dilemmas, additional links and resources available to employees and line managers, guidance on encouraging employees to Speak Up and raise concerns, a set of frequently asked questions concerning the Code, and a preview of the 2015 Code certification language included in the MyPlan form.

5.C. Enforcement

Sanctions for those found to have breached BP's Code vary depending upon the nature of the breach. BP utilizes various reporting avenues and investigations processes to identify potential Code violations by employees and contractors. BP investigates as necessary and applies sanctions as appropriate.

In 2015, as a result of substantiated investigations into allegations of Code or policy violations, the following enforcement actions occurred:

- 21 Group US Employees were dismissed or resigned; and
- 57 Group US Employees were subject to other sanctions as a result of substantiated allegations of Code violations.

BP also expects and encourages its Contractors and their employees to act in ways consistent with the Code and its principles. The Code was made available to Contractors through the BP website (<http://www.bp.com>). During 2015, concerns raised by or about Contractors and their employees were considered for investigation and, if appropriate, investigated, with sanctions being applied and documented.

6. Risk-Based Compliance Standards and Procedures

BP maintains various policies, practices, procedures and guidance documents for business activities and operations (BP Requirements) on the BP Requirements Portal. BP Requirements are intended to prevent, detect and remediate unethical or illegal conduct and are referenced with links in the Code of Conduct. Within BP Requirements, there are four legal policies that apply to the key regulatory compliance risks of:

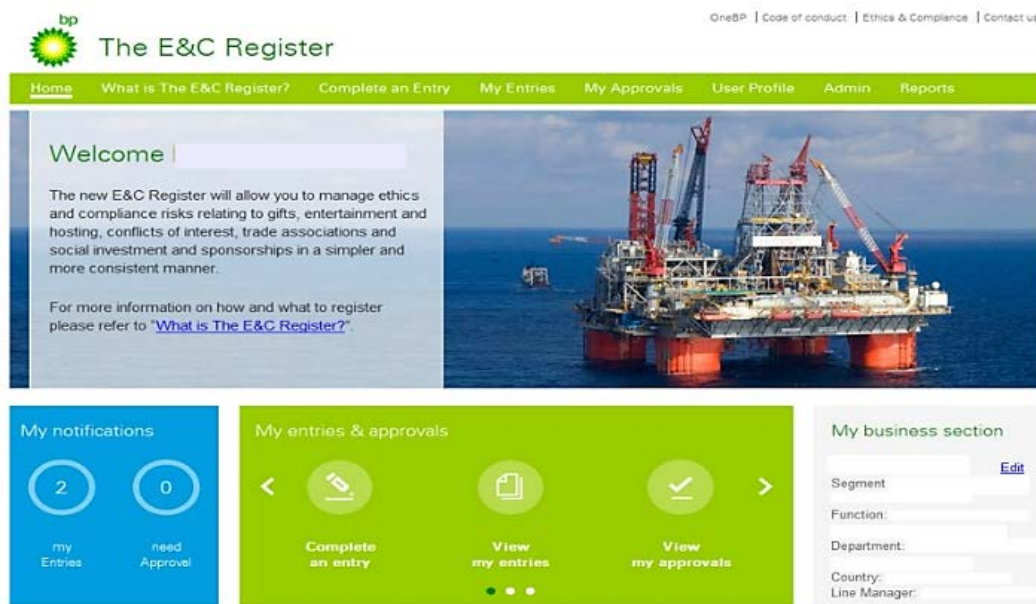
- Anti-Bribery and Corruption (ABC);
- Anti-Money Laundering (AML);
- Competition Law and Anti-Trust (CAT); and
- International Trade Regulations (ITR).

³ Justified exceptions include employees who were not active at the time of the Certification process (e.g., on leave, extended illness, disability, etc.) and those who exited BP during the first quarter of the year.

BP Requirements also includes policies covering insider trading, delegations of authority, separation of duties, and other risk areas.

BP continues to maintain a centrally organized ethics and compliance register system (E&C Register), which is accessible online through the BP intranet or directly through the E&C intranet site. The E&C Register, shown in Figure VII.6-1, enables employees to manage their ethics and compliance risks related to, among other things, Conflicts of Interest (COI) and Gifts and Entertainment (G&E). The site includes "Register FAQs" and "How to Videos" that provide step-by-step instructions on how to navigate and use the register.

Figure VII.6-1: The E&C Register



6.A. E&C Register for Conflicts of Interest

BP maintained a centrally organized COI Register, accessible online through the BP intranet during the 2015 calendar year. The COI Register provides a mechanism for employees to record actual or potential conflicts, such as:

- Outside jobs and affiliations with competitors, customers or suppliers;
- Serving as a board member of another organization;
- Investments, including those of close relatives which might influence or appear to influence judgment or decision making;
- Working with close relatives, especially those who are government officials; and
- Having an intimate relationship with another employee who can influence decisions such as salary, performance rating, or promotion.

In April 2015, BP published a COI Policy to provide instructions to employees regarding the disclosure and management of actual or potential conflicts of interest. The policy can be accessed through links on the E&C Register, directly through the BP Requirements Portal, or through the E&C intranet site.

Additional guidance on how to identify and disclose potential conflicts is available on the E&C intranet site. For those employees requested to serve on boards for organizations outside of BP, guidance is provided by the Office of the Company Secretary and the Non-Executive Director Approval Process which can be found on the BP intranet site.

6.B. E&C Register for Gifts and Entertainment

BP maintained a centrally organized G&E Register, accessible online through the BP intranet during the 2015 calendar year. The G&E Register promotes transparency and protects BP and its employees against false allegations of bribery and corruption. The use of the register enables BP businesses to monitor compliance with G&E requirements, manage ethics and compliance risks, and understand the spend associated with G&E to ensure that it is appropriately targeted. BP has established approval and recording requirements in its ABC and AML Policies for giving and receiving gifts and entertainment. Additional requirements apply if the gifts or entertainment being exchanged or hosting activity involves government officials.

7. Communications Regarding Ethics & Compliance Issues

The BPA Communications Team, with support from Group E&C, developed an Internal Communications Strategy and Tactical Plan (Communications Plan) for 2015, designed to provide a clear, consistent, and concise means of communicating ethics and compliance topics to Group US Employees across US Businesses and Functions. The BPA Communications Team utilizes a tracker to manage the timing and delivery of messages across US Businesses.

The goals of the Communications Plan were to:

- Keep ethics, compliance and safety at the forefront of all BP does;
- Integrate ethics and compliance and the Code into business-related communications;
- Ensure that communications are planned in advance;
- Provide a calendar to key stakeholders; and
- Track past communications.

Key messages delivered to Group US Employees through various communications channels during 2015 included:

- Continued focus on safe, reliable, ethical and compliant operations, while exemplifying BP's values and behaviors.
- Every BP employee should read and follow BP's Code and the company's values and behaviors.
- Safe, compliant and reliable operations are BP's overriding priority.
- Contractors share the same responsibility as employees for safe, compliant and reliable operations.
- Employees and contractors should speak up about anything they feel should be addressed.
- All managers are responsible for communicating the expectations of BP's Code and Group Policies and Procedures to their teams.

7.A. Communication Channels

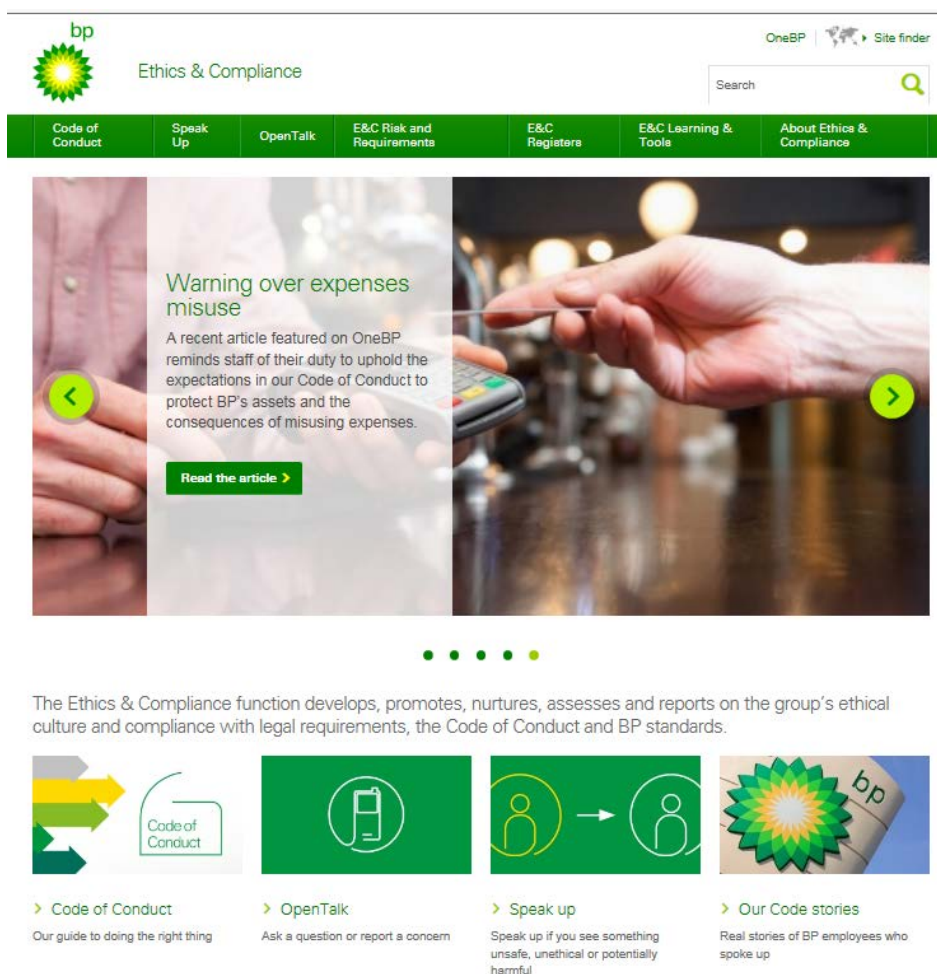
The BPA Communications Team supports the delivery of the Communications Plan for Group US Employees and businesses by developing and providing communications in various forms that are tailored to the specific audience. Communications are delivered to Group US Employees in many ways, including Town Hall briefings by leaders, articles in BP's Horizon magazine, online web articles,

newsletters and videos made available to employees within and across businesses, and posters or other hard copy materials.

7.B. Ethics & Compliance Website

BP p.l.c. maintains an intranet site which is available to Group US Employees and many contractors who are part of the workforce. Within this BP intranet site is an E&C intranet site that contains information, resources, policies, procedures, guidance and links to other ethics and compliance related information. In 2015, Group E&C updated its intranet site to facilitate access to various ethics and compliance information and tools. Figure VII.7-1 contains a screenshot of the new intranet site.

Figure VII.7-1: The E&C Intranet Site



During 2015, the E&C intranet site continued to include information on the following topics:

- Code of Conduct;
- Speak Up;
- OpenTalk;
- BP Requirements and related guidance; and
- Training (E&C Learning & Tools).

The “About Ethics & Compliance” tab on the site provides information regarding the role of Group E&C as well as an overview of the organization. The E&C intranet also provides links to various tools and resources including BP’s Code, OpenTalk, and the E&C Register. Additionally, there is a link to BP’s Code Stories where Group E&C archives scenarios related to Code violations and actions taken as a result.

7.C. Group Chief Executive Tone From the Top

BP’s Group Chief Executive (GCE) maintains a significant role in setting the tone from the top regarding ethics and compliance matters, and, in particular, expectations regarding compliance with BP’s Code. The Code training for new employees and the Code website (<http://codeofconduct.bpweb.bp.com>), include an introduction by the GCE detailing his expectations regarding compliance with the Code. The Code training for new employees includes an introductory message from the GCE, as shown in Figure VII.7-2, setting the tone regarding the importance of following BP’s Code.

Figure VII.7-2: GCE Introduction to Code Training



On a periodic basis, the GCE communicates to BP staff, through written or video communications or directly in Town Hall sessions held at various business locations. Through those communications, the GCE continues to set the tone from the top, making clear that doing business in a safe and compliant way is BP’s top priority.

Additionally, during 2015, the President and Chairman of BPA continued to reinforce the tone from the top with Group US Employees, through both written communications and periodic Town Hall sessions.

8. Ethics & Compliance Training

Group E&C develops, provides, and supports compliance training courses, including Code training, targeted ethics and compliance training and ethical leadership training. Courses are available through a combination of eLearning, instructor led classroom training, and virtual training settings.

8.A. Code of Conduct Training for Employees

As reported in the 2014 Annual Report, in September 2014, all Group US Employees were assigned the Code eLearning course for completion by March 1, 2015. The eLearning module provided employees an understanding of the areas of responsibility covered by BP’s Code. The training utilized dilemma-based scenarios designed to help employees identify potential risk areas that can arise in different situations and provided guidance on where to find additional information and resources to help in those situations.

For those employees unable to complete the eLearning course, instructor led training courses were made available.

Annual Code of Conduct Training

BP had 18,482 active Group US Employees on March 1, 2015. Of those employees, 18,459 completed the training by the March 1, 2015 deadline. Of the 23 employees who did not complete the training by the deadline, 18 were considered justified exceptions⁴ and the remaining five completed the training by March 5, 2015. BP notified the EPA Authorized Representative of the completion exceptions in early April 2015, upon reconciliation of the final training reports.

Following the launch of the new Code and eLearning module for 2014, Group E&C has continued to enhance its ethics and compliance training program to include, among other things, an E&C Course Catalog, which details courses and support materials available for various ethics and compliance topics. The E&C Course Catalog includes a range of courses by subject as well as access to other learning materials (e.g., stories, videos, etc.) such as:

- The importance of Speaking Up and the availability of the OpenTalk system;
- Compliance with laws and regulations requiring reporting of financial and other information to government agencies;
- Adherence to operating, safety and process standards in maintaining a safe workplace; and
- Ethical conduct and adherence to the Code.

In July 2015, BP launched a new Code eLearning module to Group US Employees. The eLearning module was entitled "Our Code. Our Stories" and it was designed to refresh the employees' knowledge of the Code.

The eLearning module included stories covering the following topics:

- Reporting accurate information to government agencies;
- Protecting employees from retaliation;
- Treating all employees with fairness and dignity; and
- Identifying and reporting potential conflicts of interest.

Following the Code stories, employees were asked to reflect on how they might handle various situations and were provided with additional guidance on using the E&C Register to record gifts and entertainment or conflicts of interest. The module also provided links to information and resources including the Code website, Speak Up webpage, and OpenTalk contact details. For those employees unable to complete the eLearning course (i.e., limited computer access), instructor led training courses were made available. Figure VII.8-1 contains a screenshot from the eLearning module.

⁴ Justified exceptions include employees who were not active at the time of the deadline (e.g., on leave, extended illness, disability, etc.)

Figure VII.8-1: 2015 Code of Conduct Training: Our Code. Our Stories



The 2015 Code eLearning module was assigned to 16,059 active Group US Employees on July 1, 2015. Of those, 16,046 Group US Employees completed the training by the March 1, 2016 deadline. Of the 13 employees who did not complete the training by the deadline, all were considered justified exceptions.

New Hire Code of Conduct Training

Code training continues to be assigned to new Group US employees for completion within their first 90 days. From July 1 to December 31, 2014, all 344 new Group US Employees completed their Code training within their first 90 days.

During 2015, 590 new Group US Employees joined BP. As of December 31, 2015, 563 had completed their training, 18 remained in progress (all within 90 days of hire) and nine employees did not complete the required training within the first 90 days. Of the nine, three were justified exceptions, three were interns who were initially unable to access BP's Learning Management System (LMS), and three were plant employees without regular access to computers. The employees completed the training and BP notified the EPA Authorized Representative of the exceptions when they occurred. As a result of the issues identified, system and process improvements were put in place to mitigate the risk of non-compliance.

Newly hired Group US Employees are automatically assigned the Code eLearning module upon the establishment of their employee record in the LMS. New hires are also directed to the Discover BP intranet site upon starting work. Within the site, a new starters' checklist is available to help newly hired employees learn about BP, relevant systems and processes, policies, and their individual role. Among

other items, the first month checklist includes completion of Code training. The Discover BP site also includes links to other ethics and compliance topics.

In addition to the eLearning module, several resources are made available to employees and line managers through the E&C intranet site and are intended to provide assistance with having Code discussions.

8.B. Targeted Compliance Training for Group US Employees

In addition to Code training, Group E&C also develops and provides targeted compliance training for Group US Employees who occupy or perform roles that meet certain criteria within the four key regulatory compliance risks of:

- Anti-Bribery and Corruption (ABC);
- Anti-Money Laundering (AML);
- Competition and Anti-Trust (CAT); and
- International Trade Regulations (ITR).

Group E&C has developed a process for reviewing the roles of Group US Employees and assessing their levels of risk across the four key areas. Based upon the level of risk identified, training courses, either as eLearning modules or instructor led training (ILT) courses, are assigned to the designated employees. ILT courses include both classroom and web-based course delivery. For each of the four key risk areas, one or more courses are available and assigned according to the level of risk identified.

During the last quarter of 2014, Group US businesses and functions, supported by Group E&C, completed a risk exposure rating (RER) exercise. That process identified employees in roles with risk exposure in the four key risk areas. The results of the RER were then used by Group E&C and Learning Service Center to prepare a training plan and schedule to deliver the appropriate required training to Group US Employees during the 2015 calendar year. During mid-2015, Group US Employees hired after the annual RER process was completed were assessed against the four key risk areas and assigned training based for completion within one year of hire.

Over 10,700 courses were assigned to Group US Employees, either as eLearning or ILT across the four key risk areas for completion in 2015. In two instances, training was not completed by the December 31, 2015 deadline. In one case, the employee was on long-term leave and the course will be reassigned in 2016. In the other case, the employee believed they had completed required training, but had failed to complete one course by the deadline. That employee completed a course within a week of the deadline.

8.C. Leadership Training Program for Senior Level Leaders

BP provides a range of learning resources and training options. BP aims to build the capability of Group US Senior Level Leaders (SLL) and Group Leaders (GL) so they can lead through values, build enduring capability, energize their teams, and maximize value for the organization. BP has defined these capabilities as Leadership Expectations as shown in Figure VII.8-2.

Figure VII.8-2: Leadership Expectations



Within the BP Intranet is the SLL Portal, which provides advice and links to resources. The portal includes a video module, with an introduction by the GCE that explains BP's Leadership Expectations and what they mean for SLLs in their roles.

Among the courses offered to Group US SLLs and GLs is Responsible Leadership, which is designed for SLLs to complete within their first 12 months in role, unless they have previously completed the course. The one day course is intended to equip new SLLs and GLs to lead through BP's Values, so as to build and sustain an ethical and inclusive culture. In 2015, no substantial changes were made to the course agenda or materials.

Since July 1, 2014, through December 31, 2015, BP has hired or promoted 176 Group US employees into SLL or GL levels. As of December 31, 2015, 98 of these employees have completed the Responsible Leadership course on-time, within their first year in level. The remaining 78 required employees will attend Responsible Leadership courses prior to their one-year anniversary in role, and completion status will be reported in the 2016 Annual Report to the EPA.

9. Tracking of Training

During 2015, BP finished implementing a centralized database to track ethics and compliance training provided to Group US Employees. On a periodic basis, ethics and compliance training completion data is provided by the LMS, is reconciled against Group US Employee data from BP's HR Information Management System (HR SAP), and is consolidated into a centralized database. During 2015, BP continued to make improvements to its LMS and centralized database for tracking ethics and compliance training among Group US Employees.

Copies of the documentation and training materials used in the delivery of ethics and compliance training courses to Group US Employees are maintained by Group E&C.

10. Reporting Avenues

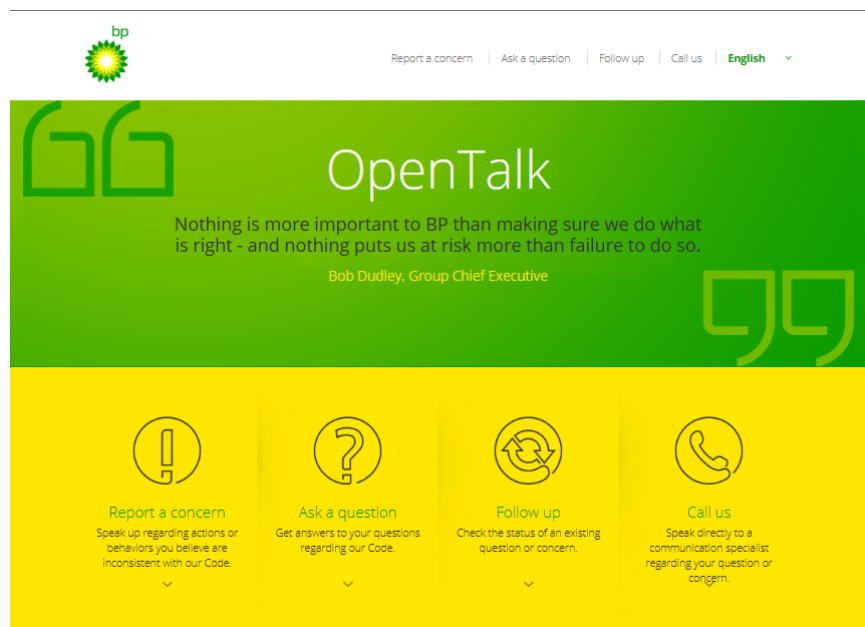
BP encourages its employees and contractors to raise or report concerns. Options for raising or reporting concerns include:

- Raising the concern to a line manager or other management;
- Speaking to one of the supporting functions such as Human Resources, Business Integrity, Legal, Group E&C; or
- Contacting OpenTalk.

In 2015, Group E&C continued to provide guidance to line managers and other leaders regarding their role in advancing a speak up culture. An article published in BP's Horizon Magazine, entitled "Leading with Integrity" provided additional insights into advancing a speak up culture and fulfilling responsibilities under the Code.

The OpenTalk program is one option for raising or reporting concerns within BP. Employees, contractors, or any third parties who have a question or concern about compliance with BP's Code or any ethical matter can contact OpenTalk, a confidential helpline administered by an independent service provider. Once a question or concern is reported, a report key and password is provided to the caller to follow up on the submission. An electronic summary is then sent to an OpenTalk Case Manager in Group E&C for review and to determine further action. The helpline is available 24 hours a day, seven days a week, and can accommodate calls in more than 75 languages. Concerns can also be raised in person, by letter, or online through the OpenTalk website <https://bp.alertline.com>, as shown below in Figure VII.10-1.

Figure VII.10-1: OpenTalk Website

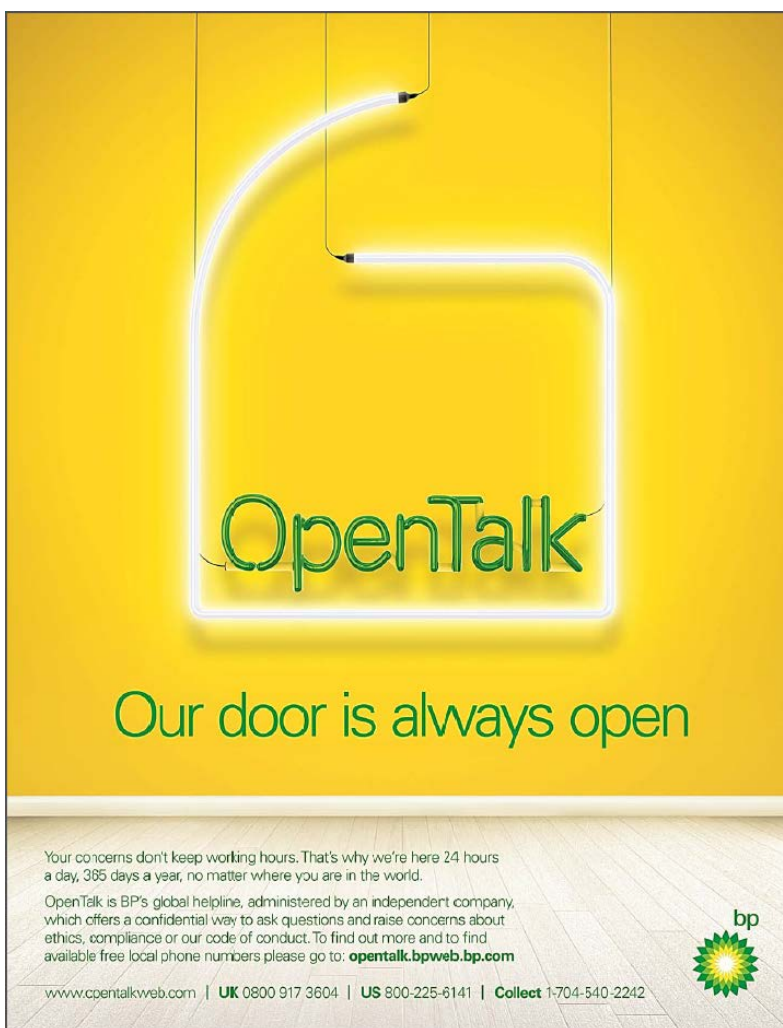


OpenTalk contacts are initially received by the independent service provider. Where permissible under local law, asking a question or raising a concern can be carried out anonymously. The OpenTalk operator (independent service provider representative) then provides a summary report to BP's OpenTalk team for assessment and further action, as appropriate.

Throughout 2015, BP p.l.c. continued to maintain the OpenTalk program. The contact details were made available in a number of ways, including:

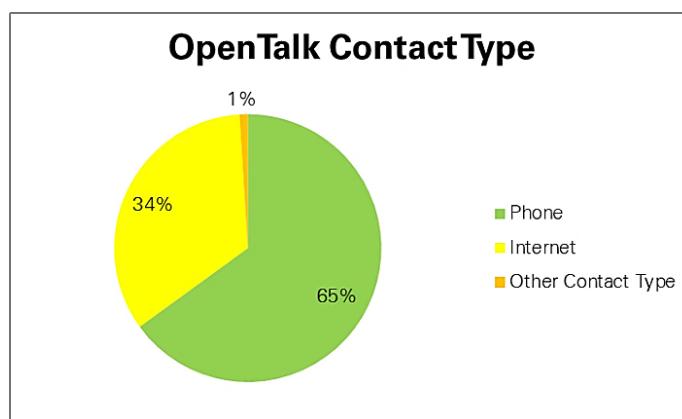
- OpenTalk posters, like the one shown in Figure VII.10-2, are located in BP's US offices and facilities, and can generally be found in the usual places for posting employee related information. Posters are made available online through the E&C intranet site;
- BP's Code, which is available online and in hard copy booklet form, includes OpenTalk contact information;
- BP's intranet site, which is accessible to Group US Employees, provides access to contact information, guidance documents, and other materials designed to help employees understand when and how to use the OpenTalk helpline; and
- BP's external website, which is available to the public, also provides access to information regarding OpenTalk.

Figure VII.10-2: OpenTalk Poster



BPA maintained the OpenTalk system throughout 2015 and received 303 contacts related to Group US Businesses. As shown in Figure VII.10-3, of those contacts, 65% were received by phone, 34% were received through the internet, and the remaining 1% were received either through email or direct contact.

Figure VII.10-3: 2015 OpenTalk Contact Types



As required by the Agreement, a summary report of information pertaining to the nature, status and outcome of significant investigations resulting from calls to OpenTalk, originating in the applicable BP Covered Entities during the 2015 calendar year, is being provided to the EPA Authorized Representative, the Ethics Monitor, and the EPA Independent Auditor as an attachment to this Annual Report.

11. Non-Retaliation Statement

The following statement can be found in BP's Code and included on the Code intranet site:

BP does not tolerate retaliation. We consider acts of retaliation to be misconduct. Retaliation can take many forms, for example: threats, intimidation, exclusion, humiliation, and raising issues maliciously or in bad faith.

If you think that you or someone you know has experienced retaliation, contact any of the Speak Up resources listed in the Code.

For the 2015 calendar year, several concerns and allegations of retaliatory behavior were investigated. One allegation of retaliation was substantiated during investigation. As a result of that investigation and finding, disciplinary action was taken by the leader of the appropriate BP Covered Entity.

12. Fraud and Misconduct Investigations

The BP Policy, Management of Concerns and Investigations within BP (Concerns and Investigations Policy) was published in 2014 and updated in 2015. The Concerns and Investigations Policy covers what happens when a concern has been raised. Concerns include allegations or suspicions of improper acts, misconduct or breaches of the Code or local laws. The policy is based on a framework for handling concerns through:

- Objective evaluation and prioritization based on the seriousness of the concern;
- Timely action locally by managers for concerns that do not warrant investigation; and

-
- Independent investigation of concerns warranting investigation, with most conducted locally and a smaller subset of the most serious concerns handled by the Business Integrity function (these are considered significant investigations for purposes of this report).

During 2015, BP implemented a new consolidated Case Management System (CMS) for the ongoing tracking and management of investigations of misconduct. The CMS serves as a record for the key facts relating to investigations and other concerns that are required to be reported under the Concerns and Investigations Policy. Access to the CMS is limited to Responsible Individuals (as defined in the Concerns and Investigations Policy), their delegates, and investigators. The GE&CO has full access to the system for purposes of analyzing trends relating to concerns and reporting to executive and board leadership.

13. Embedding Compliance Programs at the Business Unit Level

While Group E&C oversees and supports compliance activities across BP, the operational businesses and functions have first line accountability to conduct business ethically and in compliance with laws, regulations, and policies. BP maintains a network of ECLs⁵ embedded within the Group US businesses and functions. ECLs have accountability for planning and implementing an effective ethics and compliance program in their assigned business/function by providing tools and advice to employees. They are appointed by their leadership to help the businesses and functions execute their ethics and compliance agenda. ECLs are the face of ethics and compliance in their organizations and support their business/function/region leadership. They are primarily responsible for supporting and assisting in the implementation of ethics and compliance policies and procedures, as well as training and communications in their business or function.

The principal responsibilities of an ECL include:

- Support their business leader in managing compliance with ethics and compliance related BP Requirements, risk assessment, training, reporting and mitigation activities of ethics and compliance risks;
- Assisting efforts to promote:
 - Ethics and compliance through communications and knowledge sharing,
 - BP's Code and its values and behaviors, and
 - Speak Up Culture;
- Acting as a point of contact in the business for ethics and compliance inquiries and advice; and
- Providing support in internal investigations (which may include conducting local investigations, where appropriate).

ECLs are kept informed of ethics and compliance issues through regular communications from Group E&C supporting their businesses and the ECL Network Advisor. They are encouraged to network with other ECLs within their segment / function as well as across the wider Group.

At the end of the 2015 calendar year, over 50 ECLs were providing support to the Group US Businesses and Employees.

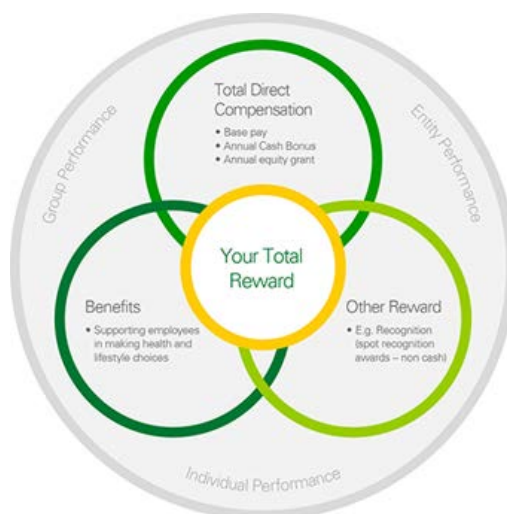
⁵ During 2015, Group E&C completed a reset of the Ethics and Compliance Leader network and changed the title to Ethics and Compliance Liaisons.

14. Incentives for Individuals and Business Units

14.A. Employee Compensation Plan

BP p.l.c. maintains various reward programs in support of its five values - Safety, Respect, Excellence, Courage, and One Team. BP's employee compensation plan did not change in 2015. An employee's total reward package, as illustrated in Figure VII.14-1, consists of three parts, Total Direct Compensation, Benefits and Other Reward. BP's Total Reward structure integrates group, entity and individual performance.

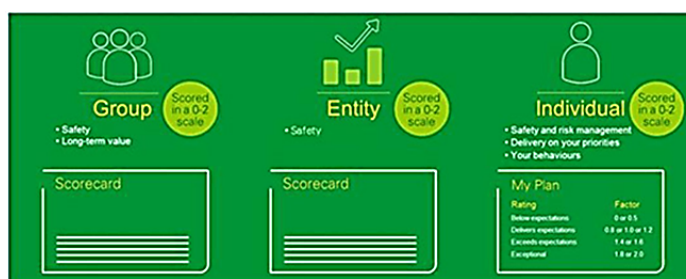
Figure VII.14-1: BP Total Reward Structure



BP's Annual Cash Bonus (ACB) is a variable discretionary payment available to eligible employees for achievements that help contribute to BP's long term success. Most employees, who are not covered by alternative arrangements such as Sales Incentive Plans, IST bonus plans, Shipping Charterers, or employees working under collective bargaining agreements, are eligible for the ACB.

The ACB is an opportunity for employees to earn additional reward above and beyond base pay. It promotes balanced performance by rewarding group, entity, and individual performance equally. As shown in Figure VII.14-2, an employee's overall performance factor, used to calculate the ACB, is an average of three factors: Group, entity and individual performance for the performance year. Each of these is assessed on a scale of 0 to 2.0. Depending on the actual results achieved, bonus payments can go up or down.

Figure VII.14-2: ACB Calculation



How your Annual Cash Bonus is calculated



The Group performance factors are assessed against a scorecard of measures, defined at the start of each year, and assessed for performance at the end of each year. For 2015, the scorecard was based upon two objectives – safety and long-term value. In terms of safety, both process safety and personal safety were considered.

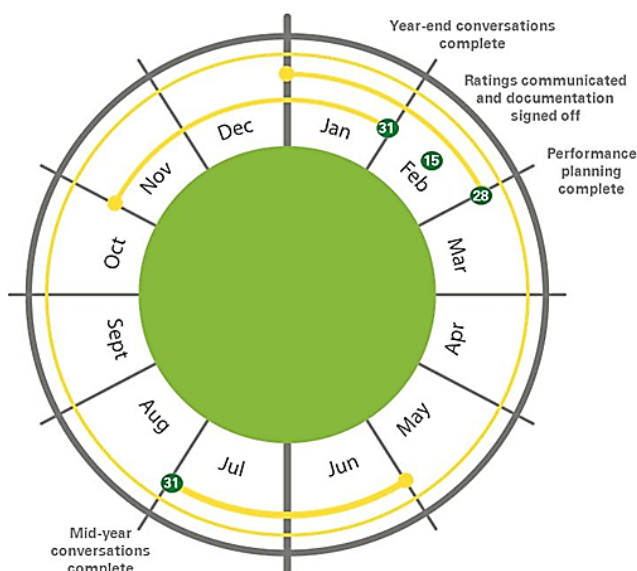
Entity performance factors are assessed based upon the judgment of the GCE, informed by assessments of each entity’s annual plan for the performance year. The annual plans for each entity include safety as well as other key measures.

The individual performance factors are assessed by each employee’s line manager using MyPlan. The individual performance management process allows line managers to assess an employee’s performance against objectives set at the start of each year in the areas of safety, delivery on near and long term priorities, adherence to the Code, and the application of BP’s values and behaviors.

14.B. MyPlan Performance Management

BP p.l.c.’s individual performance management program is called MyPlan. The process is a continuous cycle and at the end of one year’s cycle, it moves into planning for the following year as shown in Figure VII.14-3. MyPlan is mandatory for all eligible Group US Employees, and completed online with work flows that allow for automated notifications, reviews, and approvals. BP maintains a comprehensive set of online resources and guidance documents to assist employees and line managers in planning and managing performance throughout the cycle. The 2015 MyPlan form and process did not change from the previous year.

Figure VII.14-3: MyPlan Performance Cycle



Activity related to the cycle is divided into planning, mid-year review, and year-end review. During the planning phase, which occurs during the first quarter, employees and line managers discuss and agree priorities, behaviors and development goals. Those priorities include:

- Contributions to safety, compliance and risk management;
- Priorities and accountabilities the employee will deliver for the near and long term;
- Values and behaviors that underpin successful achievement of priorities; and
- Personal development actions that will support the employee in developing and delivering more effectively in the role.

Documented performance conversations occur at the mid-year (June - July) and year-end (December - January). During the year-end documentation process, employees who utilize MyPlan are required to certify, using the tool, to their compliance with the Code throughout the year. Line Managers have additional certification requirements. Both certifications are included in paragraph 5.B (Code of Conduct Certification) of this Section.

14.C. Executive Compensation Plan

BP p.l.c. maintains an executive compensation program for GL level employees, including Executive Leaders of Group US Businesses. The 2015 Executive Compensation Plan did not change from the previous year. Two specific elements of this plan tie reward for GLs to safety performance and operational risk management: the ACB and the Share Value Plan (SVP).

The ACB plan for GLs is the same as for other employees. The same scorecard and performance metrics are applied across employee levels, although the specific targets vary based upon management level. The performance metrics used in determining the ACB scorecard are the same for GLs as for other employees – safety and long-term value.

The SVP program for GLs also utilizes an annual scorecard. Group performance is measured against the SVP group scorecard as determined by the Remuneration Committee of BP's Board. This scorecard assesses performance against defined safety metrics that include loss of primary containment,

recordable injury frequency and process safety tier 1 events, in addition to key financial performance targets.

15. Award/Spot Bonus Incentive Program

Spot Recognition Awards (SRAs) are a means for line managers to reinforce positive behaviors in the delivery of outstanding effort or achievement by individual employees or teams. The SRA is a discretionary award, intended to recognize and reward employees who go above and beyond in delivery, while exemplifying BP's values and behaviors and Code.

SRAs are generally used to:

- Acknowledge outstanding achievement at any time, but more commonly after the delivery of a successful project or piece of work;
- Recognize those who put in extra effort to help BP deliver its goals;
- Provide timely recognition in connection to a recent event; or
- Reward outstanding contributions to the company's ethical culture, compliance with HSSE principles and regulatory compliance assurance.

These awards can take the form of cash or non-cash recognition. They can be given by a line manager at any time during the year, and leaders can nominate any employee for an award, whether in their team or not. Awards can also be proposed by peers or other line managers. BP's SRA Policy provides guidance to line managers regarding the size and frequency of SRAs. Approximately 1% of base salary payroll is available each year for SRAs.

For Group US Employees, BP processes and tracks SRAs within its online HR management system. Line managers can access this system and complete a request for a spot award in cash or non-cash. When processing an SRA, a personalized letter is generated that can include the reason for the award (if specified). The line manager can then present the letter to the individual receiving the SRA.

Throughout 2015, Group US managers continued to use the processes developed in September 2014 to capture the reasons for SRAs. BPA continued to provide instructions, guidance, and examples of the types of behaviors rewarded through the SRA program. This process enabled tracking and reporting on SRAs by type for the period from January 1 through December 31, 2015. During 2015, 1099 SRAs were classified as either contributions to ethical culture, compliance with HSSE principles, or regulatory compliance assurance.

The SRAs included in this report are not inclusive of other programs within BP business and functions that recognize contributions to safety, compliance, and ethical culture, but are not processed through the HR system.

BP continues to communicate the importance of recognizing employees for the defined contributions and make improvements to the SRA system to enable proper classification of SRAs. In the first quarter of 2016, BP is improving the SRA portal to align with BP's values and behaviors and allow for the specific identification of those SRAs that fall within the three categories defined. The status of that improvement and impact on SRA participation will be reported in the 2016 Annual Report to the EPA.

16. Kaplan Report Review and Implementation

The requirements of this paragraph were met in 2014. No additional action was required for 2015.

17. Ethics Monitor Review of Systemic Issues

The Independent Ethics Monitor intends to commence his review of BP's existing culture and compliance environment among Group US Businesses during 2016.

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BP / EPA
Administrative Agreement
2015
Annual Report
Corporate Governance
(Section VIII)

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1. Executive and Board Oversight of Ethics & Compliance Function

1.A. BP p.l.c. Board of Directors

The BP p.l.c. Board of Directors ("BP p.l.c. Board") and its committees provided oversight regarding BP Covered Entities' performance under this Agreement throughout 2015. Oversight is comprised of:

- Maintenance and publication of a documented set of Board Governance Principles on BP's public website;
- Maintenance of the Safety, Ethics and Environmental Assurance Committee ("SEEAC") and Main Board Audit Committee ("MBAC"), accountable for their oversight functions as defined in the Board Governance Principles;
- Receipt of reports at least annually from the GE&CO, orally and in writing, on matters relating to BP p.l.c.'s Ethics & Compliance and the Ethics & Compliance requirements of the Agreement and their implementation;
- Receipt of the Agreement along with a written summary and oral presentation of the terms of the Agreement by all members of the BP p.l.c. Board at their first regularly scheduled meeting following May 1, 2014 (which occurred on May 14, 2014);
- Receipt and consideration of each Annual Report prepared pursuant to Section X of the Agreement.

BP p.l.c. continues to maintain a set of Board Governance Principles and publishes those principles on its public website. The Board Governance Principles define the role of the Board, its processes and its relationship with executive management. Included in the Board Governance Principles are:

- The BP Goal;
- The role of the Board;
- The Board and its processes;
- The Board's relationship with Executive Management; and
- Main tasks and requirements for the Board Committees.

An Addendum to the Board Governance Principles was confirmed by the Board in 2008. That addendum, pursuant to a stipulation of settlement agreement with shareholders, also confirms certain actions related to:

- Shareholder Involvement and Governance;
- Board Awareness;
- Remuneration; and
- Shareholder Resolutions at the Annual General Meeting.

There were no changes made to the Board Governance Principles during the 2015 calendar year. The current Board Governance Principles and Addendum can be accessed on the BP public website at the following URLs:

<http://www.bp.com/content/dam/bp/pdf/investors/bp-board-governance-principles.pdf>

<http://www.bp.com/content/dam/bp/pdf/investors/bp-ic-addendum-to-board-governance-principles.pdf>

1.B. MBAC and SEEAC

The BP p.l.c. Board continued to maintain the SEEAC and MBAC throughout 2015. There were no changes to the role of the MBAC or SEEAC in 2015.

The role of the SEEAC is to look at the processes adopted by BP's executive management to identify and mitigate significant non-financial risk. Their role includes monitoring the management of personal and process safety, and receiving assurance that processes to identify and mitigate such risks are appropriate in design and effective in implementation. The SEEAC continues to receive specific reports from the business segments as well the functional organizations. These reports include, but are not limited to; the Safety and Operational Risk (S&OR) Function, Group Audit, Group E&C (including presentations on ethics and compliance programs and themes) and Group Security. There has been no change in the oversight accountabilities of the SEEAC during the 2015 calendar year.

The role of the MBAC is to monitor the effectiveness of the group's financial reporting and systems of internal control and risk management. Their role includes monitoring and obtaining assurance that the management or mitigation of financial risks are appropriately addressed by the GCE and that the System of Internal Control is designed and implemented effectively in support of the limits imposed by the Board. During 2015, the SEEAC met on six occasions and the MBAC met on ten occasions as detailed in Table VIII.1-1. In addition, there were four joint sessions of the two committees.

Table VIII.1-1: 2015 Committee Meetings

Meeting Dates	SEEAC	MBAC	Joint Session
January 28, 2015	X	X	X
February 2, 2015		X	
February 25, 2015		X	
March 18, 2015	X	X	
April 23, 2015		X	
May 13, 2015	X	X	
July 22, 2015	X	X	X
July 27, 2015		X	
September 23, 2015	X		X
October 22, 2015		X	
December 2, 2015	X	X	X

1.C. Ethics & Compliance Committee

BP p.l.c. continued to maintain the Ethics & Compliance Committee (ECC) throughout 2015. The ECC is an executive committee and not a Board committee.

The role of the ECC is to review, oversee and approve BP's E&C program. The ECC is chaired by the GCE and its membership also includes the GE&CO and other members of BP's executive team. Throughout 2015 the committee met quarterly to review BP's E&C program, including:

-
- New initiatives and improvements to existing programs;
 - Ethics and compliance risks and mitigations;
 - Ethics and compliance policies on behalf of BP's executive leadership;
 - Review investigations data; and
 - Review case studies and lessons learned.

2. Reports from the GE&CO

BP p.l.c.'s GE&CO, provides periodic reports to Committees and Boards on matters involving BP's ethics and compliance and the ethics and compliance requirements of the Agreement.

2.A. Reports to BP p.l.c.'s General Counsel

On March 23, June 29, September 29 and December 1, 2015 the GE&CO met with BP's General Counsel to discuss matters involving BP's ethics and compliance and the ethics and compliance requirements of this Agreement.

2.B. Reports to MBAC and SEEAC

The GE&CO reports orally and in writing to the MBAC and SEEAC throughout the year, and provides an annual summary of the previous year in the subsequent year. In addition, the GE&CO reports annually to the MBAC and the SEEAC, orally and in writing, regarding certain specific ethics and compliance risks and their management. In 2015, the GE&CO presented an update on BP's compliance with the Agreement and its ethics and compliance program during a full session of the BP p.l.c. Board of Directors on May 14, 2015. The GE&CO met again with the MBAC and SEEAC in a joint session on December 2, 2015 and presented, orally and in writing, on the status of BP's ethics and compliance program and the ethics and compliance requirements of the Agreement and their implementation.

2.C. Reports to BPA Board of Directors

The BPA Board meets on a quarterly basis to review, discuss and oversee matters related to the Group US Businesses and Employees. The Ethics & Compliance Director for US Businesses attends BPA board meetings in an advisory capacity to provide support and present on matters of ethics and compliance specific to Group US Business and Group US Employees. On an annual basis, the GE&CO presents, orally and in writing to the BPA Board, an update on matters relating to ethics and compliance and the ethics and compliance requirements of the Agreement and their implementation. At the December 16, 2015 meeting of the BPA Board, the GE&CO presented and provided to the members, a report on Ethics & Compliance and Investigations in the United States, including an update on the ethics and compliance requirements of the Agreement and their implementation, the Group E&C program, and the status of investigations activity in the US. The Office of the US Company Secretary maintains records reflecting the occurrence of all BPA board meetings and the topics discussed.

2.D. Reports to Executive Team

On February 11, 2015, the GE&CO attended the BP p.l.c. Executive Team meeting to report orally and in writing on matters relating to ethics and compliance, and the ethics and compliance requirements of the Agreement and their implementation. As noted on the agenda for the meeting, the GE&CO attended in person to provide the update and provided a written report as well. The office of the Executive Team maintains records of the meetings, the topics covered and the materials provided.

3. Board Recognition

As was reported in the 2014 Annual Report to the EPA, all Respondent Boards of Directors received a copy of the Agreement and a briefing during the first regular meeting for each following May 1, 2014. During 2015, there were several new board members appointed to each of the Respondent boards. Within 90 days of their appointments, newly appointed directors each received a copy of the Agreement as well as a written or verbal summary of the Agreement. In instances where the same director may have been appointed to more than one Respondent board, only one copy of the Agreement and briefing were given. The Company Secretary's Office maintains records reflecting the occurrence of all BP p.l.c. board meetings and the agenda topics discussed. The Office of the US Company Secretary does likewise in respect of the US incorporated Respondents.

4. Annual Reporting to the Boards

The 2014 Annual Report was provided to the members of the Boards of Directors of each Respondent following the submission of the report on March 30, 2015. Following receipt of the 2014 Annual Report, each Respondent Board met on the dates noted in Table VIII.4-1 to review and consider the report. The Respondent Boards of Directors gave no directions to management in response to the 2014 Annual Report. The Company Secretary's Office maintains records reflecting the occurrence of all BP p.l.c. board meetings and the agenda topics discussed. The Office of the US Company Secretary does likewise in respect of the US incorporated Respondents.

Table VIII.4-1: Presentation of 2014 Annual Report

Meeting Date	Respondent Board
May 14, 2015	BP p.l.c.
April 29, 2015	BP Exploration & Production Inc.
June 16, 2015	BP America Inc.
April 28, 2015	BP Products North America Inc.
May 4, 2015	BP Exploration (Alaska) Inc.

5. Maintenance of the GE&CO Position

Throughout 2015, BP p.l.c. has maintained the GE&CO position. On December 3, 2015, BP completed a selection process to replace the existing GE&CO upon her retirement on March 31, 2016. The selection process included consultation with, and input received from, the Ethics Monitor. It was approved by the GCE and communicated to the BP p.l.c. Board of Directors on December 3, 2015. In compliance with Section VIII.5 of the Agreement, on December 9, 2015, BP notified the EPA Authorized Representative, the Ethics Monitor, and the EPA Independent Auditor of the change in GE&CO and provided each with a copy of the resume of the newly appointed GE&CO.



BP / EPA
Administrative Agreement

2015

Annual Report
Process Safety
(Section IX)

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1. Applicability of OCSLA

BP Exploration & Production Inc. (BXP) is the only entity participating in activities in the waters of the US (as defined in Section B, Paragraph 17 of the BXP Implementation Plan), and subject to the Outer Continental Shelf Lands Act, 43 U.S.C. §1331 et seq., (OCSLA) and its implementing regulations.

2. BSEE Regulatory Compliance and Criteria for Unacceptable Performance

BXP continues to comply with ongoing legal obligations required by OCSLA and the Bureau of Safety and Environmental Enforcement (BSEE) regulations at 30 C.F.R. Parts 203-291. During the 2015 calendar year, BSEE did not notify BXP or BP Exploration (Alaska) Inc. (BPA) of unacceptable performance.

3. Contractor Oversight

In 2015, BP maintained a Contracting Governance Board (CGB) to oversee drilling rig and cementing contracts with respect to US deepwater drilling operations (as defined in Section B, Paragraph 1 and 8 of the BXP Implementation Plan). BXP is the only BP entity with deepwater drilling operations within the waters of the US during 2015.

The CGB process was one of five Procurement and Supply Chain Management (PSCM) key processes introduced in 2011 as part of the Management of Change (MoC) to the new Global Wells Organization (GWO) Divisional Model. The Terms of Reference (ToR) was approved in January 2011, and the first monthly CGB meeting was held in May 2011.

The objectives of the GWO CGB are to ensure:

- Alignment between GWO business needs and PSCM contracting and procurement activities;
- Global strategies are being consistently implemented;
- Supplier selection reduces S&OR risk; and
- Effective and consistent supplier management is ongoing through the lifecycle of the contract.

BXP did not employ any new drilling rig or cementing Contractors in 2015. All current Contractors are previous contract holders. As such, the CGB did not review or approve any Contracts. Additionally, as there were no new Contractors employed, there were no audits completed or safety management deficiencies identified.

In 2015, BP maintained a process to address areas for Contractor performance improvement. BP utilized a documented procedure to describe the manner in which it manages Contractors, including drilling rig and cementing Contractors. One component of that procedure addresses Supplier Management. The Supplier Management component provides a common framework for managing supplier performance, including performance improvement opportunities.

4. SEMS Requirements

There were no Safety and Environmental Management System (SEMS) audits required in BPA during 2015.

On March 31, 2015, BXP submitted to the EPA Authorized Representative a copy of the SEMS audit plan for the 2015 calendar year. The submission included BXP's plan for completion of SEMS audits on

the Transocean International Development Driller III (DDIII) drilling rig and the Seadrill West Sirius drilling rig. On April 29, 2015, BPXP notified the EPA Authorized Representative of a modification to the 2015 SEMS Audit schedule due to a change in rig contract terms. As a result, the SEMS Audit of the Seadrill West Sirius drilling rig was removed from the 2015 schedule and Seadrill West Capricorn was added to the 2018 schedule.

On June 25, 2015, BPXP submitted to the EPA Authorized Representative a copy of the BSEE approved SEMS Audit Plan for the Transocean International DDIII drilling rig. Following completion of the audit, on November 19, 2015, BPXP submitted to the EPA Authorized Representative a copy of the SEMS Audit Report and Corrective Action Plan for the DDIII drilling rig. A revised version of the SEMS Audit Report and Corrective Action Plan for the DDIII drilling rig was submitted on December 2, 2015.

5. SEMS Audit Reporting To Process Safety Monitor

On November 19, 2015, BPXP submitted to the Process Safety Monitor (PSM) a copy of the SEMS Audit Report and Corrective Action Plan related to the audit conducted at the DDIII drilling rig. At the time of the submission, BPXP's Vice President of Compliance offered to facilitate access to the SEMS lead auditor for the PSM to discuss the audit and any associated findings and recommendations. The PSM acknowledged receipt of the audit report and offer to facilitate a meeting with the lead auditor. A revised version of the SEMS Audit Report and Corrective Action Plan for the DDIII drilling rig was provided to the PSM on December 2, 2015.

6. Process Safety Monitor

The PSM issued his Initial Report on July 22, 2015. A copy of that report was provided to the EPA Authorized Representative on July 29, 2015. Following the process described in the BPXP Plea Agreement Remedial Order (Remedial Order), BPXP notified the PSM and DOJ in writing on August 21, 2015 that the proposed recommendations might be inconsistent with Remedial Order scope, applicable law or regulation, or otherwise inadvisable. Over the next several weeks, BPXP worked with the PSM in an attempt to reach agreement regarding the proposed recommendations. On October 30, 2015, BPXP notified the DOJ of the status of its efforts to reach agreement with the PSM on recommendations, advising that it had reached agreement with the PSM on a total of 83 alternative recommendations⁶, leaving 20 disputed recommendations for further consultation with DOJ and BSEE. On November 19, 2015, BPXP submitted an action plan to adopt the 83 agreed recommendations. Following a meeting between the DOJ, BSEE, BPXP and the PSM on November 18, 2015 to resolve the 20 disputed recommendations, in a letter dated December 16, 2015, the DOJ provided its determination regarding the remaining 20 disputed recommendations. On January 29, 2016, BPXP submitted an action plan to adopt the final ten alternative recommendations⁷. The status of implementation of the PSM recommendations will be addressed in the 2016 Annual Report to the EPA.

7. Tracking Leading and Lagging Indicators

During 2015, BPXP continues to track and report on a range of leading and lagging indicators for personal and process safety as agreed with BSEE in 2014. The BPXP Board of Directors received reports on the

⁶ Ten additional recommendations were either incorporated into the 83, or were otherwise removed. Thus, 93 of the original 113 recommendations were resolved.

⁷ Of the 20 disputed recommendations, two were deferred pending BSEE rulemaking and the remaining 8 were either incorporated into the 10, or were otherwise removed.

agreed leading and lagging indicators during its 2015 meetings. The leading and lagging indicator reports provided to the BPXP Board of Directors during 2015 are included in Attachment X.1.H. of Section X of this report.

8. Global Wells Organization

BP p.l.c. maintains a Global Wells Organization as part of its Upstream Segment. The GWO is accountable for safe, compliant, and reliable delivery of all drilling, completions, well integrity, and well intervention activities.

GWO maintains a S&OR Committee that oversees safety performance and risk management within drilling operations. During 2015, the S&OR Committee met on the following dates:

- January 22
- February 19
- March 19
- April 23
- May 20
- June 25
- July 23
- August 24
- October 22
- December 11

9. Gulf of Mexico Compliance Management System

Throughout 2015, BPXP maintained a compliance management system that documents and tracks applicable regulations that apply to the GoM Region. The compliance management system is periodically updated to reflect new or changed regulatory requirements from various agencies, including BSEE. The regulatory applicability tables are available at BP's GoM intranet site. The tables are reviewed and updated periodically as necessary based on the following types of changes:

- Regulatory requirements;
- Changes to legal or agency interpretation of a regulatory requirement; and/or
- Changes to the equipment, operations or activities.

10. Bly Report

No action or reporting was required in 2015.

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BP / EPA
Administrative Agreement
2015
Annual Report
BP Covered Entities' Annual Reports
(Section X)

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1. Annual Report

This consolidated written report (2015 Annual Report) describes the measures taken within the BP Covered Entities during the 2015 calendar year to ensure compliance with Sections V through XII of the Agreement. This 2015 Annual Report documents the activities and efforts to comply of over 16,000 employees working within the 11 defined business and functions across the US that together, represent the Group US Employees and BP Covered Entities.

1.B. Report of Legal Proceedings

No new legal proceedings were reported during 2015. A report regarding the status of previously reported, ongoing legal proceedings reported by BP, as required by paragraph 5 of Section XII of the Agreement, is provided to the EPA Authorized Representative, the EPA Independent Auditor, and the Ethics Monitor.

1.C. Report of OpenTalk Cases

A summary report of all OpenTalk concerns originating in Group US Businesses during 2015, including the responsible business or function and general classification, is provided to the EPA Authorized Representative and the EPA Independent Auditor. Of the 303 concerns raised in 2015, nine were determined to be significant and were investigated by the Business Integrity function. The date, responsible business unit, general classification, status and actions taken for each of those cases is also provided to the EPA Authorized Representative, the EPA Independent Auditor, and the Ethics Monitor.

1.D. Reports of Misconduct

For calendar year 2015, there were no reports of any employee of a BP Covered Entity committing (1) a violation of Federal criminal law involving fraud, conflict of interest, bribery or gratuity violations found in Title 18 of the U.S. Code, or (2) a violation of the civil False Claims Act, 31 U.S.C. §§3729-3733, in connection with the award, performance, or closeout of a federal procurement or nonprocurement covered transaction.

1.E. Findings of the EPA Independent Auditor

On August 10, 2015, the EPA Independent Auditor issued the "2014 Report of the EPA Independent Auditor" to BPXP, the EPA Authorized Representative, the Ethics Monitor, the BPXP Third Party Auditor, and the Process Safety Monitor. That report identified seven areas of deficiency in compliance for the 2014 calendar year. A corrective action plan to address the areas of deficiency was prepared and submitted to the EPA Authorized Representative. As of the end of 2015, all corrective actions have been completed. The summary of those findings and the corrective actions taken is included in Attachment X.1.E.

1.F. Corporate Officials' Certifications

As required under paragraph 3 of Section XII, the Corporate Secretary of each Respondent has certified that the applicable Respondent is in compliance with its respective obligations under paragraphs 1, 3, and 4 of Section VIII of the Agreement for the calendar year 2015. Those certifications are provided to the EPA Authorized Representative, the EPA Independent Auditor, and the Ethics Monitor.

1.G. List of BP Covered Entities

A list of the BP Covered Entities for the 2015 calendar year is included in Attachment X.1.G.

1.H. Report of Leading and Lagging Indicators

For the calendar year 2015, BPXP tracked and reported to the BPXP Board of Directors, a range of leading and lagging indicators for personnel and process safety as agreed with BSEE. The reports provided to the BPXP Board of Directors during 2015 are included in Attachment X.1.H.

1.I. Report of Foreign Covered Transactions

A list of all Foreign Covered Transactions occurring during calendar year 2015 is provided to the EPA Authorized Representative, the EPA Independent Auditor, and the Ethics Monitor. The list includes details regarding the parties to the transactions, the services provided, the entities providing services, the location of the services, the effective dates of the transactions and, if applicable, the expiration dates. The cover pages of the contracts are provided to the to the EPA Authorized Representative, the EPA Independent Auditor, and the Ethics Monitor.

1.J. Status of Foreign Covered Transactions

The report of 2015 Foreign Covered Transactions provided to the EPA Authorized Representative, the EPA Independent Auditor, and the Ethics Monitor includes a description of the status of each Foreign Covered Transaction, during the respective reporting period, using one of the following descriptions:

- (i) The Non-Group U.S. Business is no longer participating in the Foreign Covered Transaction(s) that has been identified during the applicable reporting period;
- (ii) The Non-Group U.S. Business is party to Foreign Covered Transaction(s) that has been identified during the applicable reporting period and the Administration Services of those subject Foreign Covered Transaction(s) have been transferred to a Group U.S. Business;
- (iii) The Non-Group U.S. Business is within the 10-day grace period or the 90-day grace period as set forth in Section IV, Paragraph 5 or 6 above; and/or
- (iv) The Non-Group U.S. Business is subject to the applicable terms of the Agreement as a BP Affiliate With Foreign Business.

2. Additional Submission to the Ethics Monitor

Upon submission of this 2015 Annual Report, a separate, consolidated report by BP's Business Integrity Function,(formerly Fraud and Misconduct Investigation Team) including metrics related to allegations of fraud and misconduct brought to the attention of the Business Integrity Function during the 2015 calendar year, with respect to Group US Businesses, is being provided to the Ethics Monitor. The submission includes a detailed report of all 231 matters, including case number, nature of the matter, date of the incident, business unit or operation in which the matter occurred, status and final resolution of the matter. The submission also includes summary metrics related to the information included in the detailed report.

BP / EPA Administrative Agreement

2015

Annual Report

Attachment X.1.E Findings of the EPA Independent Auditor (Section X)

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Findings of the EPA Independent Auditor

EPA AA Section	Identified Deficiency In Compliance	Corrective Action Plan	Status
VII.2	Auditing Ethics & Compliance: For one of the ethics and compliance related internal audits performed by BP Internal Audit during 2014, the required officials were not provided with a copy of the results and/or findings of the audit within the required ten (10) days of report issuance.	This audit was the first audit completed following the effective date of the Agreement (issued on March 14, 2014 and submitted to required officials on April 4, 2014). Since that first audit, all subsequent audits have been provided within the required ten (10) days. BP has a process in place to ensure audits are submitted as required. No further action is required.	Complete <i>No action needed</i>
VII.8.A.3.b	Ethics & Compliance Training: BP's Code of Conduct Training did not include an explicit reference to the importance of compliance with the reporting of financial information to government agencies.	BP believes its Code of Conduct training program adequately emphasizes Code of Conduct matters that are applicable to the vast majority of Group US employees. BP has included a reference to the importance of compliance with the reporting of financial information to government agencies in its new 2015 Code of Conduct training (launched to all US employees in July 2015).	Complete <i>Code Training Program includes all require topics</i>
VIII.2.B	Reports from the GE&CO: It was not clear that the GE&CO reported, as required, orally and in writing to the MBAC and SEEAC regarding the Ethics & Compliance requirements of the EPA Administrative Agreement and their implementation.	The GE&CO did report orally and in writing to the MBAC and SEEAC in a joint session on December 3, 2014. During that meeting, BP believes that all of the required topics were covered in both the written report and the records maintained by the Committees. Going forward, documentation related to these reports will include: 1. Pre-read materials provided to attendees including the date of the meeting (redacted as appropriate) 2. A certified excerpt of the relevant meeting minutes noting the topics that were discussed.	Complete <i>Presented at December joint committee meeting</i>
VIII.2.C	Reports from the GE&CO: At the 2014 BPA Board meetings, the GE&CO did not personally report on the Ethics & Compliance requirements of the EPA Administrative Agreement. Executive level delegates reported in her place.	In 2014 the GE&CO was based in the UK and not readily available to participate in the BPA Board meetings. In February 2015 the GE&CO did attend the BPA Board meeting and report on the Ethics & Compliance requirements of the Agreement. Going forward, the GE&CO will continue to report on Ethics & Compliance to the BPA Board at least annually. No further action is required.	Complete <i>Attended March meeting, also attending December meeting</i>
VIII.2.D	Reports from the GE&CO: The GE&CO did not report orally or in writing to the BP p.l.c. Executive Team on the Ethics & Compliance requirements of the EPA Administrative Agreement during 2014.	BP believes that the report to the BP p.l.c. Executive Team by the GE&CO in February 2015 meets the requirements as the report occurred within one (1) year of the effective date of the Agreement. Going forward, documentation related to these reports will include: 1. Pre-read materials provided to attendees including the date of the meeting (redacted as appropriate) 2. Documentation provided by the Group Chief Executive's Office indicating that the meeting occurred and the required topics were discussed.	Complete <i>Attended February meeting</i>

EPA AA Section	Identified Deficiency In Compliance	Corrective Action Plan	Status
XII.2	Notice to Employees and Senior Level Leaders: BP employees in Puerto Rico did not receive notice of the BP / EPA Administrative Agreement within sixty (60) days of the Effective Date of the Agreement. Notice was delivered in November 2014 and was done so orally.	This was a one-time requirement that requires no ongoing action. Employees in Puerto Rico were subsequently notified of the Agreement once the gap was identified. As of July 2015, the Puerto Rico business has been sold and there are no longer any BP employees based in that location. No further action is required.	Complete <i>No action needed</i>
XII.12	Hiring Ineligible Individuals: Two (2) Principals who were extended and accepted employment offers prior to the Effective Date of the Agreement did not receive SAMs checks prior to becoming employed. Two (2) additional Principals who were hired after the Effective Date of the Agreement did not receive SAMs checks until after becoming employed in their role.	BP believes the two (2) Principals who were extended and accepted employment offers prior to the Effective Date of the Agreement did not require SAMs checks as their offer of employment pre-dated the Agreement. As reported to the EPA, two (2) Principals were hired after the Effective Date of the Agreement without a SAMs check. Once identified, SAMs checks were conducted. These two (2) Principals were the first two Principals hired following the Effective Date of the Agreement, before BP had all of its processes in place to manage the requirement. Since that time, the SAMs requirement has been formally added into BP's standard background check process for all new Group US employees. No further action is required.	Complete <i>No action needed</i>

BP / EPA Administrative Agreement

2015

Annual Report

Attachment X.1.G List of BP Covered Entities (Section X)

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2015 List of BP Covered Entities

BP Covered Entities	Classification	Secondary Classification
BP p.l.c.	Respondent	
BP America Inc.	Respondent	Group US Businesses
BP Exploration & Production Inc.	Respondent	Group US Businesses
BP Products North America Inc.	Respondent	Group US Businesses
BP Exploration (Alaska) Inc.	Respondent	Group US Businesses
BP Corporation North America Inc.	Covered Affiliate	Group US Businesses
BP America Production Company	Covered Affiliate	Group US Businesses
BP West Coast Products LLC	Covered Affiliate	Group US Businesses
BP Energy Company	Covered Affiliate	Group US Businesses
Atlantic Richfield Company	Covered Affiliate	Group US Businesses
BP Amoco Chemical Company	Covered Affiliate	Group US Businesses
BP Company North America Inc.	Covered Affiliate	Group US Businesses
Standard Oil Company	Covered Affiliate	Group US Businesses
BP Marine Americas	Covered Affiliate	Group US Businesses
IGI Resources, Inc	Covered Affiliate	Group US Businesses
Castrol Marine Americas	Covered Affiliate	Group US Businesses
BP Alternative Energy	Covered Affiliate	Group US Businesses
BP Pipelines (Alaska), Inc.	Covered Affiliate	Group US Businesses

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BP / EPA
Administrative Agreement
2015
Annual Report
Attachment X.1.H
Report of Leading and Lagging Indicators
(Section X)

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BPXP Leading & Lagging Indicators

2015 Reports to BPXP Board of Directors



EPA AA Leading and Lagging Indicators (Reported to BPXP Board at Jan 28, 2015 Meeting)

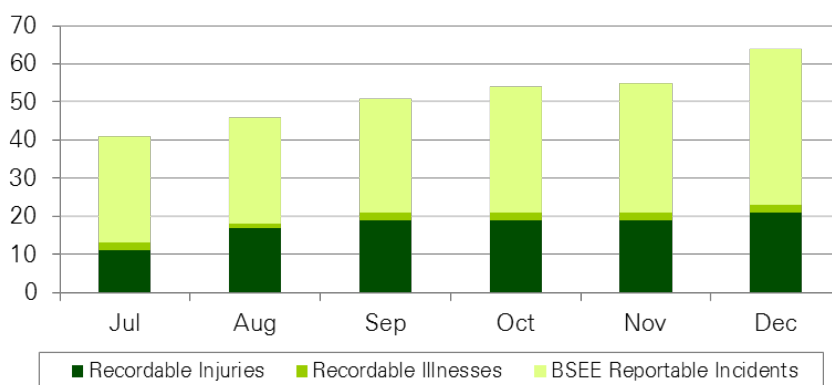
2014 GoM (BPXP)	July	Aug	Sept	Oct	Nov	Dec
Recordable Injuries	11	17	19	19	19	21
Recordable Illnesses	2	1	2	2	2	2
LOPC* <1 Barrel	19	43	52	58	66	97
LOPC 1 to 10 Barrels	0	0	0	0	0	0
LOPC >10 Barrels	0	0	0	0	0	0
BSEE Reportable Incidents	28	28	30	33	34	41
RIF Rate	.21	.28	.29	.25	.22	.21
Overdue SEMs action items	0	0	0	0	0	0

*LOPC's Related to Hydrocarbons Only

Key Points

- Recordable Injuries down ~40% from 2013
- Recordable Illnesses declined ~65%
- Losses of Primary Containment less than a barrel have increased by ~30%, but no LOPCs greater than a barrel for 2014 versus 5 in 2013
- BSEE Reportable Incidents down ~15%
- Overall RIF Rate is down from .41 for 2013

YTD Injuries and Illnesses



EPA AA Leading and Lagging Indicators (Reported to BPXP Board at Mar 25, 2015 Meeting)



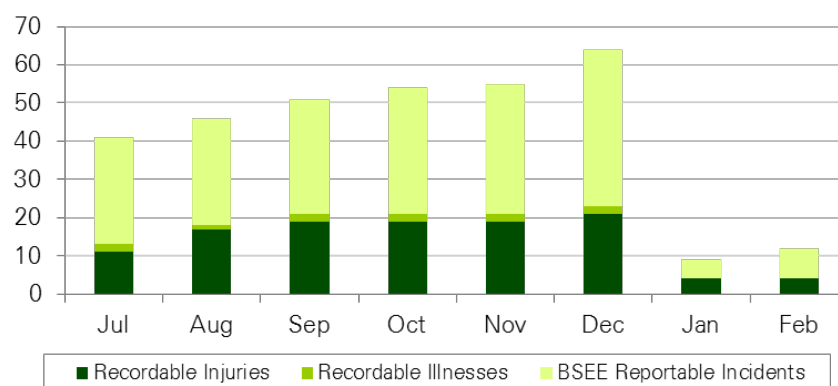
GoM (BPXP)	2014 FY	Jan 2015	Feb 2015
Recordable Injuries	21	4	4
Recordable Illnesses	2	0	0
LOPC* <1 Barrel	97	6	14
LOPC 1 to 10 Barrels	0	0	1
LOPC >10 Barrels	0	0	0
BSEE Reportable Incidents	41	5	8
RIF Rate	.21	.44	.25
Overdue SEMs action items	0	0	0

*LOPC's Related to Hydrocarbons Only

Key Points

- Indicator data is cumulative for all categories.
- January injuries were all personal injuries related to body positioning or falling objects.
- 6 barrel SBM spill from Thunder Horse PDQ in February. SBM is considered hydrocarbons for Agreement reporting.
- One BSEE Reportable in January was a muster, but still reflected in BSEE database.

YTD Injuries and Illnesses



EPA AA Leading and Lagging Indicators (Reported to BPXP Board at Apr 29, 2015 Meeting)



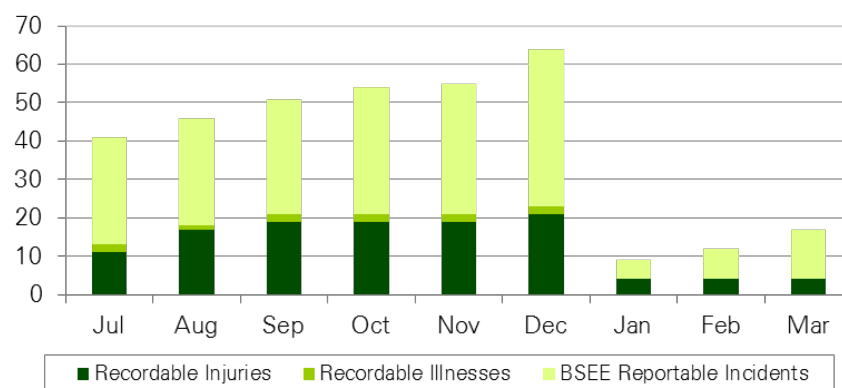
GoM (BPXP)	2014 FY	Jan YTD	Feb YTD	Mar YTD
Recordable Injuries	21	4	4	4
Recordable Illnesses	2	0	0	0
LOPC* <1 Barrel	97	6	14	21
LOPC 1 to 10 Barrels	0	0	1	1
LOPC >10 Barrels	0	0	0	0
BSEE Reportable Incidents	41	5	8	13
RIF Rate	.21	.44	.25	0.2
Overdue SEMs action items	0	0	0	0

*LOPC's Related to Hydrocarbons Only

Key Points

- Indicator data is cumulative for all categories.
- March LOPCs total 0.22 barrels
- 4 of 5 BSEE Reportable Incidents involved Crane operations. One was a muster.
- Quarterly SEMS CAP update sent to BSEE on April 15 reflects actions being closed by agreed due dates.

YTD Injuries and Illnesses



EPA AA Leading and Lagging Indicators (Reported to BPXP Board at May 27, 2015 Meeting)



GoM (BPXP)	2014 FY	Jan YTD	Feb YTD	Mar YTD	Apr YTD
Recordable Injuries	21	4	4	4	4
Recordable Illnesses	2	0	0	0	0
LOPC ¹ <1 Barrel	97	6	14	21	26
LOPC 1 to 10 Barrels	0	0	1	1	1
LOPC >10 Barrels	0	0	0	0	0
BSEE Reportable Incidents	41	5	8	13	15
RIF Rate	.21	.44	.25	.20	.25
Overdue SEMs action items	0	0	0	0	0

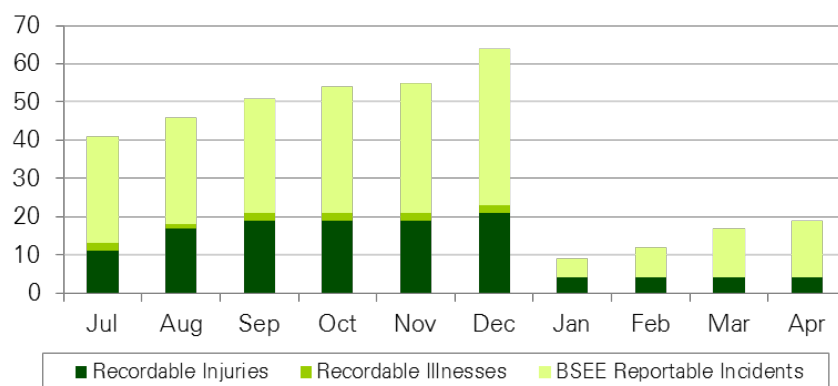
¹LOPC's Related to Hydrocarbons Only

²Initial 1Q hours included onshore and logistics, not consistent with BSEE 131 report

Key Points

- Indicator data is cumulative for all categories.
- April LOPCs total 2.5 gallons
- YTD LOPC < 1 Barrel includes 2 incorrectly identifying BP as responsible party.
- BSEE Reportables required no additional actions.
- Quarterly SEMS CAP update sent to BSEE on April 15 reflects actions being closed by agreed due dates.

YTD Injuries and Illnesses



EPA AA Leading and Lagging Indicators (Reported to BPXP Board at Jun 24, 2015 Meeting)



GoM (BPXP)	2014 FY	1Q 2015	Apr YTD	May YTD
Recordable Injuries	21	4	4	4
Recordable Illnesses	2	0	0	0
LOPC ¹ <1 Barrel	97	21	26	30
LOPC 1 to 10 Barrels	0	1	1	1
LOPC >10 Barrels	0	0	0	0
BSEE Reportable Incidents	41	13	15	18
RIF Rate	.21	.20	.25	.22
Overdue SEMs action items	0	0	0	0

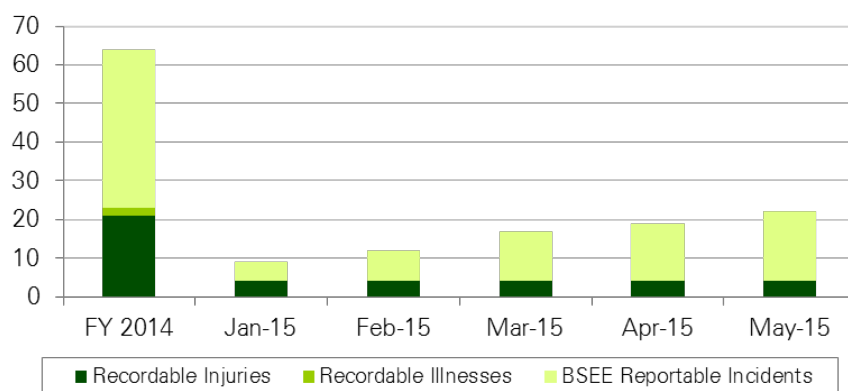
¹LOPC's Related to Hydrocarbons Only

²Initial 1Q hours included onshore and logistics, not consistent with BSEE 131 report

Key Points

- Indicator data is cumulative for all categories.
- YTD LOPC < 1 Barrel includes 2 incorrectly identifying BP as responsible party.
- May BSEE Reportables included two fire incidents and one other lifting device incident.

YTD Injuries and Illnesses



EPA AA Leading and Lagging Indicators (Reported to BPXP Board at Jul 29, 2015 Meeting)



GoM (BPXP)	2014 FY	1Q 2015	Apr YTD	May YTD	Jun YTD
Recordable Injuries	21	4	4	4	4
Recordable Illnesses	2	0	0	0	0
LOPC ¹ <1 Barrel	97	21	26	30	33
LOPC 1 to 10 Barrels	0	1	1	1	1
LOPC >10 Barrels	0	0	0	0	0
BSEE Reportable Incidents	41	13	15	18	23
RIF Rate	.21	.40	.39	.32	.37
Overdue SEMs action items	0	0	0	0	

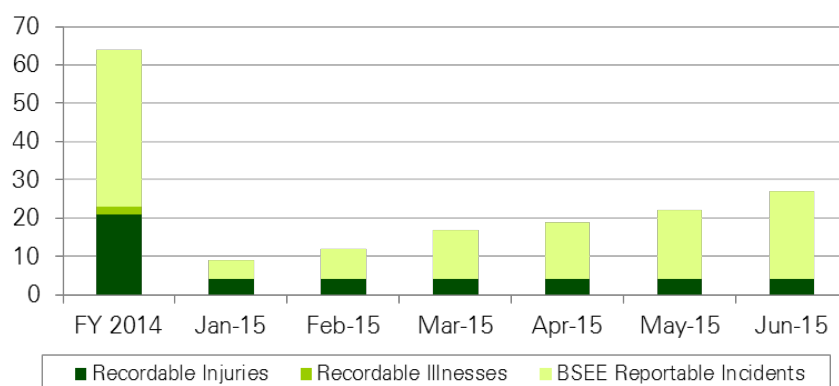
¹LOPC's Related to Hydrocarbons Only

²Initial 1Q hours included onshore and logistics, not consistent with BSEE 131 report

Key Points

- Indicator data is cumulative for all categories.
- YTD LOPC < 1 Barrel total quantity approximately 1.5 barrels.
- 2015 RIF Rates recalculated based on hours worked and aligns with BSEE Form 131 criteria.

YTD Injuries and Illnesses



EPA AA Leading and Lagging Indicators (Reported to BPXP Board at Sep 28, 2015 Meeting)



GoM (BPXP)	2014 FY	1Q 2015	2Q 2015	Aug YTD
Recordable Injuries	21	4	7	11
Recordable Illnesses	2	0	0	0
LOPC ¹ <1 Barrel	97	21	33	43
LOPC 1 to 10 Barrels	0	1	1	1
LOPC >10 Barrels	0	0	0	0
BSEE Reportable Incidents	41	13	18	26
RIF Rate ²	.21	.40	.37	.44
Overdue SEMs action items	0	0	0	0

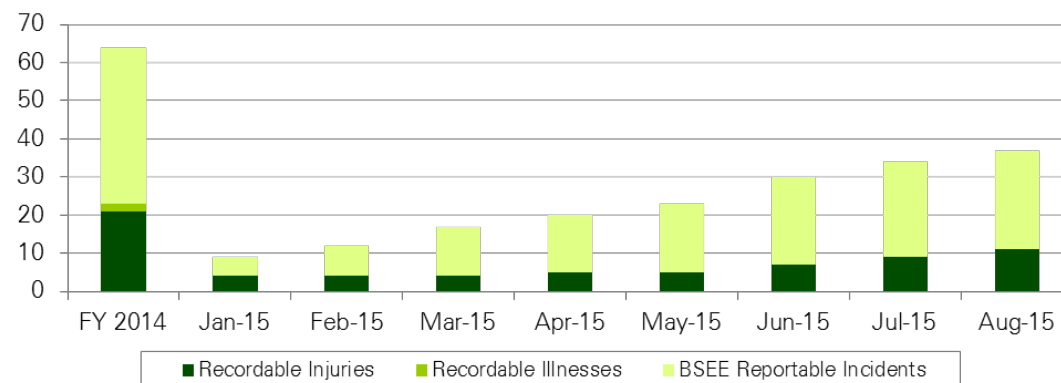
¹LOPC's Related to Hydrocarbons Only

²2014 hours included onshore and logistics, not consistent with BSEE 131 report

Key Points

- Indicator data is cumulative for all categories.
- YTD LOPC < 1 Barrel includes 2 incorrectly identifying BP as responsible party.
- June-Aug BSEE Reportable Incidents included three required musters and one other lifting device incident.

YTD Injuries and Illnesses



EPA AA Leading and Lagging Indicators (Reported to BPXP Board at Dec 1, 2015 Meeting)



GoM (BPXP)	2014 FY	1Q 2015	2Q 2015	3Q 2015	Oct 2015
Recordable Injuries	21	5	8	14	16
Recordable Illnesses	2	0	0	0	0
LOPC ¹ <1 Barrel	97	21	33	48	57
LOPC 1 to 10 Barrels	0	1	1	1	1
LOPC >10 Barrels	0	0	0	0	0
BSEE Reportable Incidents	41	13	23	28	31
RIF Rate ²	.21	.40	.37	.50	.52
Overdue SEMs action items	0	0	0	0	0

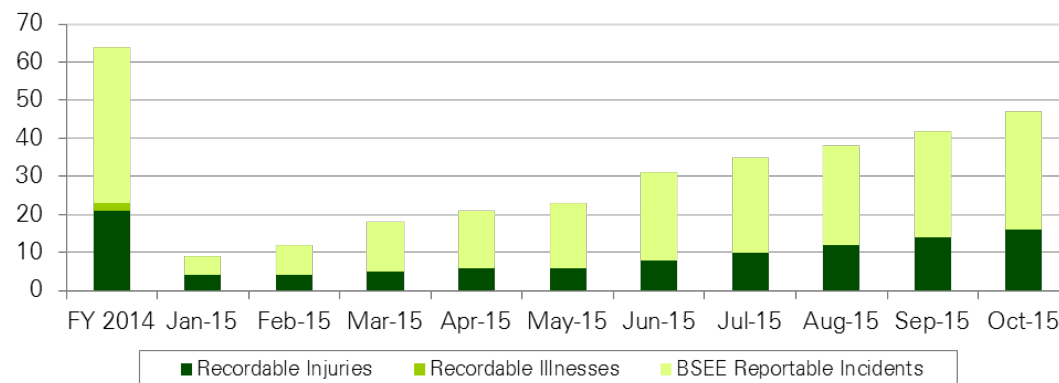
Key Points

- Indicator data is cumulative for all categories.
- 3Q BSEE Reportable Incidents included 4 injuries and 1 required muster.
- Reduction in Reportable Incidents versus 2014 in both Drilling and Production

¹LOPC's Related to Hydrocarbons Only

²2014 hours included onshore and logistics, not consistent with BSEE 131 report

YTD Injuries and Illnesses



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BP / EPA
Administrative Agreement
2015
Annual Report
EPA Independent Auditor
(Section XI)

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1. Selection of the EPA Independent Auditor

There was no change to the EPA Independent Auditor during 2015.

2. Nature and General Terms of Employment

In an Annual Certification of Independence submitted to the EPA Authorized Representative on March 12, 2015, the EPA Independent Auditor certified that they have no financial, professional, personal, familial or other interest that would create an actual or apparent conflict of interest with the BP Covered Entities or the BP Covered Entities' Employees. In addition, the affidavit certifies that their representation of any other client will not create an actual or apparent conflict of interest in fulfilling their responsibilities as EPA Independent Auditor.

3. Scope of Independent Auditors Duties

Following the submission of the 2014 Annual Report on March 30, 2015, the EPA Independent Auditor verified the applicable BP Covered Entities' compliance with Sections V through XII of the Agreement. On August 10, 2015, the EPA Independent Auditor submitted the 2014 Report of the Independent Auditor (Audit Report) to the EPA Authorized Representative, the BP Authorized Representative, Ethics Monitor, PSM, and Third Party Auditor.

The Audit Report noted 165 total procedures conducted, with 156 reported as compliant with the Agreement, two reported as compliant with observations noted, and seven deficiencies in compliance with the Agreement.

In an email communication sent to the EPA Authorized Representative on August 24, 2015, BP described its response and corrective action plan to address the identified deficiencies. On August 26, 2015 BP met in person with the EPA Authorized Representative to discuss the Audit Report and BP's corrective action plan. On November 18, 2015, BP provided the EPA Authorized Representative with an update on the status of implementation of its corrective action plan.

Of the seven deficiencies noted, none were determined to be, individually or collectively, a material breach of the Agreement by the EPA Authorized Representative. Three of the deficiencies occurred early in the implementation of the Agreement, before all of the processes and procedures needed to manage compliance were put in place, and no corrective actions were necessary. For the remaining four deficiencies, where necessary, corrective actions were developed and implemented by BP to address the deficiencies and all actions were completed by the end of 2015.

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BP / EPA Administrative Agreement

2015

Annual Report General Provisions (Section XII)

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1. Languages

All communications to Group US Employees required under this Agreement have been provided in English as that is the standard language for communications to all Group US businesses and employees.

2. Notice to Employees and Senior Level Leaders

All required notifications were made during 2014. No actions or notifications were required during 2015.

3. Corporate Official's Certification

As required, the relevant Corporate Secretary of each Respondent entity has certified to that Respondent's compliance with its obligations under paragraphs 1, 3 and 4 of Section VIII (Corporate Governance) of the Agreement.

4. Truthfulness in Reporting and Conveying Information to EPA and Other Regulatory Agencies

Throughout 2015, BP Covered Entities have complied with their obligations under federal law and regulation to provide accurate information to the EPA, its designees, and other Federal Government Entities.

5. Reports of Legal Proceedings

On the 21st day following the end of each calendar quarter in 2015, BP notified the EPA Authorized Representative of all legal matters occurring within the previous quarter, as defined in subparagraphs A-E of this paragraph. No new legal proceedings were reported during the 2015 reporting period.

6. Electronic Tracking of Formal Enforcement Actions

BPA continues to maintain a computerized database for recording and tracking all legal matters as defined in Paragraph 5 of Section XII of the Agreement. That system is used to track and prepare the quarterly report on legal matters as required in Paragraph 5 of Section XII.

7. Reports of Misconduct

For the 2015 calendar year, there have been no reports of misconduct that would require any BP Covered Entity to disclose in writing to the EPA Authorized Representative, the Ethics Monitor, and the EPA Independent Auditor. With regard to the award, performance or closeout of a federal procurement or nonprocurement covered transaction, no BP Covered Entity or Principal of a BP Covered Entity has any evidence of any BP Covered Entity's Employee(s) committing any violation of Federal criminal law involving fraud, conflict of interest, bribery or gratuity violations found in Title 18 of the U.S. Code or any violation of the civil False Claims Act, 31 U.S.C. §§ 3829-3733. As such, there has been no action by any BP Covered Entity to conduct any investigations or notify the EPA Authorized Representative, Ethics Monitor, or EPA Independent Auditor.

8. Government Audits and Access to Records and Information

Outside of the scope of the annual audit activity described in Section XI of the Agreement, BP Covered Entities received no requests during 2015 from either the EPA Authorized Representative directly, or from the Ethics Monitor or EPA Independent Auditor, on the EPA's behalf, for any records for purposes of verifying compliance with the terms and conditions of the Agreement.

9. Sale of the Respondents' Businesses

No BP Respondent has sold, assigned or transferred ownership of more than fifty percent (50%) of its assets to an unaffiliated entity pursuant to an arm's length transaction.

10. BP Group Entities' Purchase of Businesses

BP Group Entities have not purchased any businesses or established any new business units in 2015.

11. Restructuring or Acquisition of New Businesses

For the 2015 calendar year, BP Group Entities have taken no actions, through a change of name; business reorganization, restructuring or realignment; sale or purchase of assets; or similar action, to avoid the obligations and conditions set forth in the Agreement.

12. Hiring Ineligible Individuals

With effect from April 14, 2014, background checks for all external new hires into Principal roles (Senior Level Leaders and above) into US businesses include a check of the System of Award Management (SAM) in addition to the standard components of BP's background investigation as determined by the role the employee will occupy. In accordance with BP's Global Pre-Employment Vetting Policy, background checks are completed by a third party vendor, who completes the investigation and provides a confidential report prior to completion of the hiring. For the 2015 calendar year, 23 potential employees were offered employment as Principals in US businesses. Each Principal was subject to the complete background check process, and all 23 Principals successfully cleared the SAM pre-employment check. Upon completion, all background reports are archived and maintained in the vendor's system of record. This information is reportable and accessible to authorized BP representatives upon request.

13. Ineligible Employees

BP is not aware of any employee of a BP Covered Entity becoming suspended, debarred, or otherwise ineligible as prescribed by any Federal Government Entity debarment program. BP has no knowledge of any Principal of a BP Covered Entity being charged with a U.S. federal criminal offense relating to business activities or otherwise relating to honesty or integrity and has not been required to remove any Principal from responsibility for, or involvement with, business affairs related to Federal Government procurement or covered nonprocurement transactions.

14. Business Relationships with Suspended or Debarred Entities

In fulfilling its obligations related to federal procurement or nonprocurement covered transactions, BP Covered Entities have not knowingly formed a contract with, purchased from, or entered into any

procurement or covered nonprocurement transactions with any individual or business entity that is listed in SAM as debarred, suspended, proposed for debarment, or otherwise ineligible at the time of the transaction.

15. Future Misconduct During Agreement

BP acknowledges that the EPA may take an action pursuant to 2 C.F.R. § 180.700 or 2 C.F.R. § 180.800 if it finds that a BP Covered Entity has materially breached the Agreement based on any misconduct that occurs during the period of the Agreement.

16. Respondents' Legal Obligations

Nothing in the Agreement limits the obligations of any BP Covered Entity under any federal, state or local law or regulation.

17. Unallowable Costs

During 2015, BP Covered Entities have only engaged in fixed price or index contracts with the federal government for physical commodities and physical commodity services. The prices of these contracts are determined by market pricing. Under the current contracts between BP Covered Entities and the federal government, the federal government is not charged for the costs made expressly unallowable by the Agreement. This is because the price of these contracts does not reflect a pass through of any unallowable costs per the terms of the Agreement.

18. Adverse Actions

No action or reporting necessary for 2015.

19. Breach of Agreement / Survival of Cause for Debarment

Throughout 2015, in BP's opinion, there has been no failure to meet any obligation that would result in a material breach of the Agreement. As noted in Section VII of the report, six new Group US Employees, without justification, did not complete Code of Conduct training as required within the first 90 days and five Group US Employees, without justification, failed to complete annual Code of Conduct training by the March 1, 2015 deadline. In both cases, the gaps were reported to the EPA Authorized Representative at the time they were identified. In early 2016, it was determined that one employee, without justification, failed to complete a targeted training course by the December 31, 2015 deadline. BP does not believe any of these gaps constitute a material breach of the Agreement.

20. Resolution of Debarment, Suspension, or Statutory Disqualification

No action or reporting necessary for 2015.

21. Conclusion of Debarment Proceedings

No action or reporting necessary for 2015.

22. Release of Liability

No action or reporting necessary for 2015.

23. Responsibility

The Agreement is not an endorsement of BP Group Entities' ethics and compliance, corporate governance, process safety, or other programs.

24. Restriction on Use

BP Covered Entities have not used any term or condition of the Agreement, or the fact of the existence of the Agreement, for any purpose related to the defense of, or in mitigation of, any criminal, civil or administrative investigation, proceeding, or action.

In 2015, there has been no cause for any BP Covered Entity to use the existence or substance of the Agreement (a) to respond to Federal Government civil or administrative demands for injunctive relief, (b) in any criminal, civil, or administrative matter in which the other party introduced evidence of the Agreement or the suspension, debarment or statutory disqualifications which the Agreement resolves, or (c) in any matter initiated by a Government Entity to suspend, debar, or otherwise render ineligible or find not responsible a BP Covered Entity based on the events giving rise to the Agreement.

25. Bankruptcy

No BP Covered Entity entered into bankruptcy proceedings in 2015.

26. Entire Agreement

No action or reporting necessary for 2015.

27. Counterparts

No action or reporting necessary for 2015.

28. Severability

No action or reporting necessary for 2015.

29. Paragraph Headings

No action or reporting necessary for 2015.

30. Modification

During 2015, no requests to modify the Agreement have been made by the Respondents.

31. Authorized Representatives

There have been no changes to the designation of either of the Authorized Representatives as defined in the Agreement. The Respondents' Authorized Representative had a change in phone number during 2015, which was communicated to the EPA Authorized Representative.

32. Notices

Throughout 2015, all notices, reports or information required has been provided in writing and delivered by both electronic mail and by courier to the appropriate Authorized Representative as noted in Paragraph 31 of Section XII of the Agreement.

33. Public Document

No action or reporting necessary for 2015.

34. EPA Reliance

No action or reporting necessary for 2015.

35. Records Retention

All documents and records necessary and incidental to the Agreement are maintained by BP Covered Entities.

36. Maintenance of Privilege

No action or reporting necessary for 2015.

37. Time is of the Essence

No action or reporting necessary for 2015.

38. Respondent's Signatory(ies)

No action or reporting necessary for 2015.

39. Endorsement by Suspension and Debarment Official

No action or reporting necessary for 2015.

40. Term

No action or reporting necessary for 2015.

