

CORPORATE EXPOSURE TO
THE CONFLICT IN
NAGORNO-KARABAKH:
BP CASE STUDY



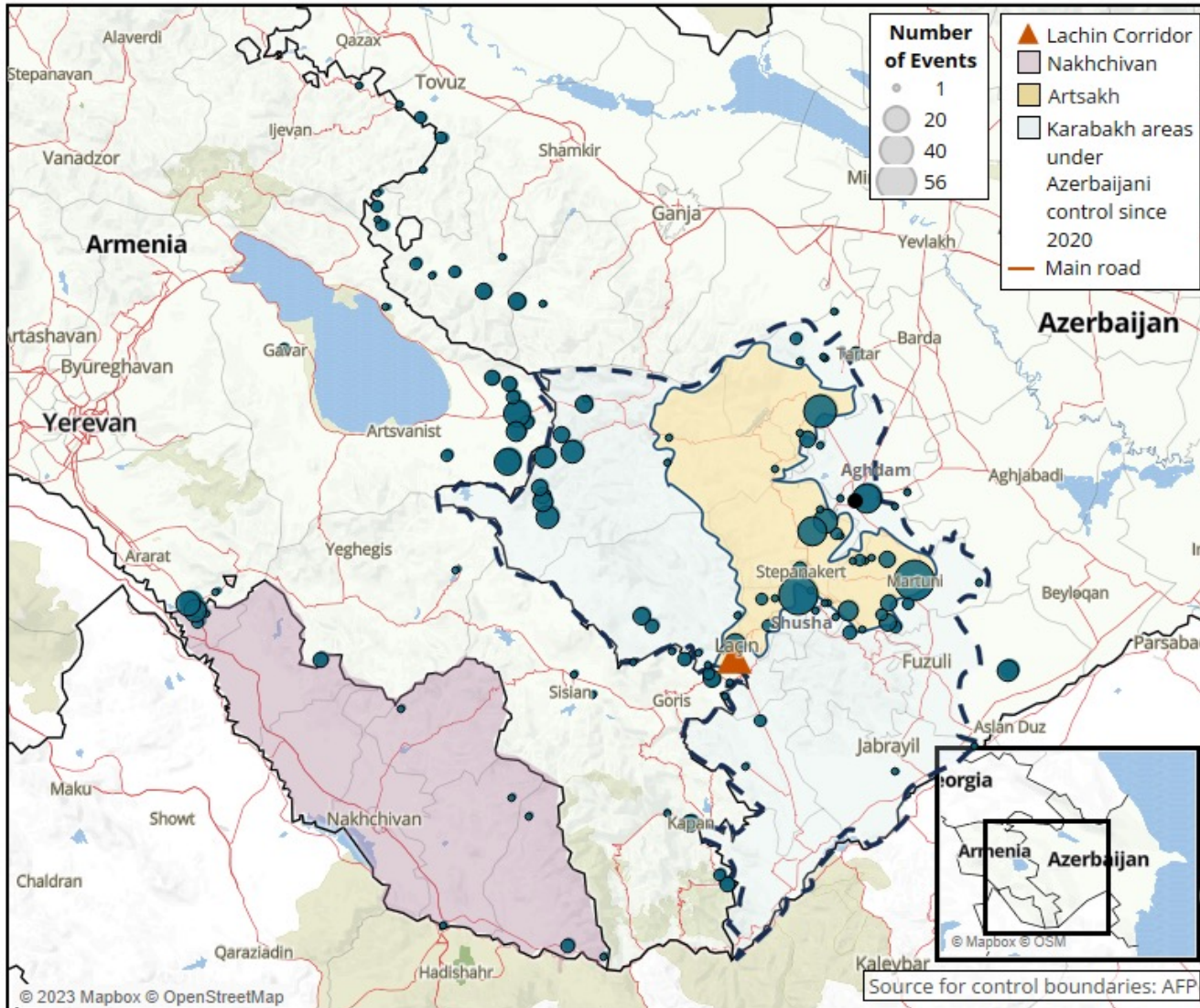
Source: <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/uft2016-bp-in-azerbaijan.pdf>

BP'S OIL AND GAS PROJECTS IN AZERBAIJAN

- Since 2020, BP and its project partners transferred \$35 billion-worth of oil and gas production – more than four-times Azerbaijan's military spending during this period.
- *“BP's long-standing partnership with the Aliyev 'dictatorship' has funded Azerbaijan's militarization and aggression against Armenia. BP has been happy to keep drilling, having learned nothing from the historic mistake it made in Russia. Funding violent dictatorship is always a bad strategy.” – Dominic Eagleton, Global Witness*

Political Violence Around Artsakh and in Armenia-Azerbaijan Border Areas

1 January - 15 September 2023



SOLAR PLANT IN JABRAYIL

- June 2021 agreement to build Jabrayil solar plant in contested former security zone – months after the end of the 2020 war

BHRRC LETTER TO BP (SEPT. 19, 2023):

- “1. Has bp conducted **material, legal and/or reputational risk assessments of doing business in Azerbaijan**? If so, what were the results? If not, does it intend to?”
- 2. Since bp is operating in a conflict-affected area, **how is it enhancing its due diligence to identify, prevent and mitigate heightened human rights risks** and comply with international humanitarian law?
 - a. What measures is bp taking to ensure it relies and acts upon **robust monitoring of the situation**, including through **consultation** with workers, affected communities, human rights groups, and/or humanitarian organisations?
 - b. What steps has bp taken or is planning to take to **mitigate the heightened risk of contributing or being directly linked to the impacts of the ongoing conflict** unfolding in the Nagorno-Karabakh area and of the blockade, and exacerbating the situation?
- 3. As the Nagorno-Karabakh crisis and the Lachin corridor blockade unfold, does bp intend **to use its leverage** to ensure the corridor remains open and ensure the rights of the 120,000 affected by the blockade are respected?”

BP RESPONSE (SEPT. 29, 2023):

- “bp’s **principal operations** in Azerbaijan are over 400 km from the conflict-affected area. Together with our local partners, we are planning the development of a **solar plant** in the Jabrayil district, around 100km from the area. This district has **not had a civilian population** since the early 1990s.”
- “**It is bp’s policy** to conduct environmental and social impact assessments (including human rights aspects) for such projects.”

Sources: <https://www.business-humanrights.org/en/latest-news/letter-to-bp-regarding-its-operations-in-nagorno-karabakh-area/>; <https://www.business-humanrights.org/en/latest-news/bp-response-11/>

BP'S RESPONSIBILITY AND RESPONSE

- Knowledge of human rights responsibility
- Knowledge of conflict and repression in Azerbaijan
- No evidence of heightened HRDD, use of leverage

IMPLICATIONS FOR INVESTORS

- Potential sanctions
- Potential litigation
- Instability
- Worsening repression threatens ability to conduct HRDD
(see, for example: [Freedom House](#), [Reporters Without Borders](#))
- Reputational risk heightened by COP29

KEY LINKS

- Business & Human Rights Resource Centre blog on [BP's responsibilities in Nagorno-Karabakh conflict](#)
 - [BHRRC letter to BP](#) and [BP response](#)
- Global Witness: [Oil firms bankroll Azerbaijan's warring regime with billions in fossil fuel money](#), focused on BP and highlighting Jabrayil solar plant
 - [Guardian coverage](#) of the piece
- Crude Accountability: [Azerbaijan's Green Development Serves the Hydrocarbon Industry](#), covering BP and the Jabrayil solar plant, among other things
 - See also: Crude Accountability on failure of [BP, TotalEnergies, and Equinor](#) to act on the arrest of human rights defender Dr. Gubad Ibadoghlu ([letter to BP](#) and [BP response](#))
- No Business with Genocide [public sign-on letter to BP](#) with over 2,000 signatures
 - *Forthcoming: organizational sign-on letter*
- Paul Polman-led [business leaders' letter](#) to Azerbaijan
 - [FT coverage](#) of the letter; see also: January 2024 Paul Polman [commentary in Reuters](#)
- Access Now investigation of [Azerbaijan's use of Pegasus spyware](#)
- For more, including on other companies operating in Azerbaijan, please email Nora Mardirossian at noramardirossian@gmail.com