

# BP in Australia Sustainability Report 2009-2010



## What's inside?

### About this report

The *BP in Australia Sustainability Report 2009-10* covers the 12 month period from 1 July 2009 to 30 June 2010 unless otherwise stated. Further information on BP group's sustainability performance is available online, in PDF format, and in review form at [www.bp.com/sustainability](http://www.bp.com/sustainability).



#### For more information

[www.bp.com.au/envandsociety](http://www.bp.com.au/envandsociety)  
Access insights into our sustainability performance in Australia.  
[www.bp.com/sustainability](http://www.bp.com/sustainability)  
BP group sustainability performance.

### 01 Message from the President of BP Australia

### 03 BP Australia in 2009-2010

### 04 BP Australia in figures

### 06 How BP in Australia operates

- Our operations
- Business strategy
- Corporate governance
- Risk management

### 10 Diverse and affordable energy

- Meeting the energy challenge
- Sustaining production and supply
- Investing for the future
- Petrol pricing

### 16 Low-carbon energy

- Our position on climate change
- Cleaner fuels
- Cleaner power

### 20 Safe and responsible energy

- Operating management system
- Health and safety
- Product safety
- Environment

### 28 People energy

- BP Australia's people plan
- Attracting and retaining talented people
- Creating an engaging and inclusive environment
- Learning and development
- Supporting our staff

### 34 Local energy

- Our approach to development and community
- Supporting education and community needs
- Building business skills

### 39 Independent assurance statement

### 40 Our approach to sustainability reporting

### 41 Further Information

#### Cautionary statement

The *BP in Australia Sustainability Report 2009-10* contains certain forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements depending on a variety of factors including future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors; natural disasters and adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed elsewhere in this document and in *BP Annual Report and Accounts 2009*. Statements made in the *BP in Australia Sustainability Report 2009-10* are those that are believed to be correct as at the date of its preparation. Nothing in this report should be relied upon as a promise or as a representation as to the future. This report does not purport to be all-inclusive or to contain all relevant information and any person seeking to rely on it does so at their own risk.

#### An introduction to Ernst & Young's assurance process

Ernst & Young has reviewed the contents of the *BP in Australia Sustainability Report 2009-10* to provide assurance on the information reported. This formed part of the work on BP Australia's sustainability reporting (including the environment and society content on BP Australia's website). Ernst & Young's work included reviewing a selection of media reports and internal documents relating to the sustainability performance of BP in Australia, reviewing the outcome of BP Australia's process for determining the key issues to include in the report and reviewing information or explanation about the report's sustainability performance data and statements.

## Message from the President of BP Australia Pty Ltd

# President's message

**Paul Waterman** President – BP Australia  
December 2010



The Deepwater Horizon tragedy has cast a shadow over BP and adversely impacted the Gulf of Mexico environment, its communities and businesses. However, we should never forget that this was a human tragedy and I would like to take this opportunity to offer my most sincere condolences to the families and friends of the 11 crew members who lost their lives when the rig exploded.

BP's response to the incident was immediate. It was, and remains, an immense undertaking and we will do the right thing. We are committed to making good the environment, we will help affected businesses and communities recover from the effects of the spill and we won't stop until the task has been completed.

It is too early to understand all of the causes and consequences of this tragedy. BP's internal investigation which was published in September demonstrates the tremendous complexity of the events leading up to the accident and identifies eight key findings on the cause of the incident. The report concludes that no single factor caused the tragedy and multiple parties, including BP, Halliburton and Transocean were involved.

BP's chief executive Bob Dudley responded by stating that the BP board has accepted all 26 of the recommendations from the report and is now working to determine how best to implement them. Since 20 April, we have incorporated a number of relevant safety assurances involving blow-out preventers, well control, pressure testing for well integrity, emergency systems and cement testing. We are determined to learn the lessons for the future and will be implementing the recommendations from the report along with a broad-scale programme to further improve safety in our operations. We will invest whatever it takes to achieve this and also ensure that all the lessons learned are shared fully throughout the Australian industry.

There is no doubt that the incident caused concern amongst staff, customers and regulators and BP Australia's leadership was active in providing stakeholders with updates. In addition to the local leadership effort, senior managers who were directly involved in the response effort travelled to Australia to brief policy makers and industry representatives on the response and our investigation into the cause. We remain committed to sharing any lessons learned from the tragedy.

Despite the uncertainty caused by the incident, BP Australia has performed well and we remain an integral and important part of the BP group. Our capital programmes continue as planned as we pursue growth opportunities in all areas of our business.

In our Exploration and Production business we continue to invest in the North West Shelf Venture's infrastructure. Looking to the future, we are involved in two Liquefied Natural Gas (LNG) projects; the Jansz-lo development which is part of the Gorgon project and the Browse project, both of which are being progressed by their operators.

In the Refining and Marketing sector we are investing in our refineries to reduce risk and improve reliability. We are also investing in new storage and handling facilities including new capacity for bitumen and marine fuel oil in Queensland – to help us support our customers and gain access to growth opportunities.

Our strong performance, in the immediate aftermath of the global financial crisis, is a testament to the quality of our people, the robustness of our business model and the resilience of the Australian economy.

I am pleased to be able to inform you that in 2009-10 we managed our operations without a fatality and made improvements against a number of safety indicators. This result is driven by making safe and reliable operations our highest priority. It is a demonstration of the commitment of our employees, even when faced with major distraction, on striving to reduce the risk of our operations and to improve safety.

We have continued our efforts in Australia to raise awareness of the impacts of climate change, and continue to advocate policy that enables markets to function effectively. We believe that policy which stimulates innovation without creating local disadvantage is the best route to developing the low-carbon economy we all want.

We believed that the introduction of the Carbon Pollution Reduction Scheme (the CPRS) would have been a positive step in the journey towards a low-carbon economy. The decision to postpone its implementation could, we believe, lead to a delay in achieving meaningful emissions reductions and increase the cost of transition and will prolong investment uncertainty.

We have also contributed to policy debate in the area of energy policy and fiscal reform. Our submission to the Federal Government's Energy White Paper process focused on four key areas: the challenge of Asian growth; the need to address domestic energy security; the need to address climate change; and the role of competition policy and Australia's long-term growth rate. It is our contention that these factors are inter-related and of equal importance as we face the challenge of seizing the opportunities offered by Asian growth while continuing to enhance domestic energy security.

We also made a submission to the Federal Government's review of taxation (The Henry Report). The report offered a blueprint of how the tax system could be developed over the medium to long-term. BP's input was to recommend that the Government move to a cash flow basis for taxation over time for income tax and, as an interim step, introduce accelerated tax depreciation

“ Our strong performance, in the immediate aftermath of the global financial crisis, is a testament to the robustness of our business model and the resilience of the Australian economy ”

for gas plants. Current write off rates for gas plants are slow when compared internationally.

Over the years, I believe we in BP Australia have gained a reputation for the positive manner in which we manage the impacts of our business on the society and environments in which we operate. Clearly, events in the Gulf of Mexico have affected this reputation. Nevertheless, I believe this report provides an opportunity to re-engage with stakeholders and take some first steps in the process of rebuilding our reputation.

We welcome your scrutiny of this report. It will contribute to the ability of each part of our business to ensure that the choices we make contribute to making BP a sustainable business.





## BP in Australia in 2009-2010

These highlights reflect the continuing investment BP has made in its business throughout the year in its facilities, in its people and within the broader community.

### 2009

#### July

24 July 2009 – BP Solar welcomes the opportunity to make a submission to the Senate Economics Committee Inquiry into the Renewable Energy (Electricity) Amendment Bill 2009 and related Bills.

#### August

21 August 2009 – BP Australia announces it will make a multi-million dollar capital investment in the construction of a new bitumen import, manufacturing and distribution facility in Townsville that will meet the massive increase in demand for bitumen from current and future road infrastructure projects in Queensland.



24 August 2009 – BP Australia's new liquid fuels import facility in the Port of Newcastle is officially opened by The Hon. Martin Ferguson, Minister for Resources, Energy and Tourism.

#### September

IChemE in Australia celebrates with BP on achieving Accredited Company Training Scheme status, also known as ACTS.

27 September 2009 – the Heritage Trail at the Pinkenba Family Day is opened.

#### October

"In The Jaws of Prosperity" – BP Australia submits recommendations to the 2009 Energy White Paper to the Department of Resources, Energy and Tourism.

#### November

3 November 2009 – Minister for Water, The Hon. Dr Graham Jacobs officially launches the BP Kwinana Refinery's \$13 million tie-in to the Kwinana Water Recycling Plant.

New South Wales government announces its support for introducing a gross solar photovoltaic feed-in tariff.

#### December

The Federal and Western Australian governments approve, subject to certain conditions, the renewal of the retention leases covering the Browse LNG development.

2 December 2009 – BP Australia advises that ongoing issues at its supply terminals have delayed the company's ability to restock a number of its service stations in the Perth, Adelaide and Brisbane areas with BP Ultimate diesel™.

10 December 2009 – BP maintenance workers at the Bulwer Island refinery stopped work for 24 hours. The stoppage occurred during the renegotiation of a local Enterprise Bargaining Agreement (EBA). Regrettably one worker was injured following an incident on the public road outside the refinery.

### 2010

#### January

A shipment of Opal® fuel is provided to the government of Canada as part of a trial to tackle petrol sniffing in indigenous communities during the Canadian summer.



#### February

The joint venture participants select the Western Australian Government's Browse LNG precinct near James Price Point in the Kimberley region as the location for the project's onshore plant.

1 February 2010 – Susan Dio takes over as managing director at Bulwer Island refinery.

#### March

1 March 2010 – Des Gillen takes the role as new managing director at the Kwinana refinery.

#### April

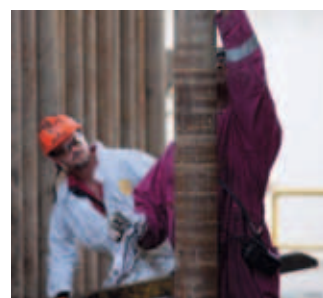
20 April 2010 – an explosion occurs on Transocean's the Deepwater Horizon rig in the Gulf of Mexico killing 11 people and has widespread environmental impact.

#### May

12 May 2010 – BP Solar, together with its consortium partners, is successfully short-listed under round one of the Australian Government Solar Flagships Programme.

18 May 2010 – A modified version of BP Ultimate Diesel™ is reintroduced to the market in Queensland and South Australia during May, followed by Western Australia in June.

29 May 2010 – BP reports that the 'Top Kill' operation fails to overcome the flow from the Macondo well in the Gulf of Mexico. [The flow of oil was stopped on 15 July 2010 with the installation of a sealing cap and on 19 September 2010 the Macondo well was permanently sealed following the drilling of a relief well.]



#### June

1 June 2010 – BP Australia notifies nearly 5,000 volunteers from hundreds of charitable organizations across Australia that they are to be the recipients of free fuel to assist them in their volunteering work.

16 June 2010 – Following a meeting with the President of the United States, the BP board announces an agreed package of measures to meet its obligations as a responsible party arising from the Deepwater Horizon spill.

## BP Australia in figures

### Five-year data, trends and interpretations

	2005	2006	2007	2008	2009	Reporting year
<b>Safety<sup>a</sup></b>						
Number of fatalities - workforce <sup>b</sup>	0	0	0	0	<b>0</b>	Financial
Days away from work case (DAFWC) - workforce	8	17	6	7	<b>8</b>	Financial
Days away from work case frequency (DAFWCF) - workforce	0.16	0.29	0.09	0.12	<b>0.11</b>	Financial
Recordable injuries (RI) - workforce	65	87	48	35	<b>46</b>	Financial
Recordable injury frequency (RIF) - workforce	1.26	1.51	0.70	0.58	<b>0.65</b>	Financial
Hours worked (million hours) - workforce	10.3	11.5	13.7	12.1	<b>14.2</b>	Financial
Number of oil spills (>159 L)	24	30	22	10	<b>10</b>	Financial
Volume of oil spilled - litres	257,981	132,872	76,064	48,030	<b>10,640</b>	Financial
Volume of oil unrecovered - litres	150,235	14,792	23,149	10,895	<b>207</b>	Financial
Number of major incident announcements (MIAs)	5	2	0	0	<b>0</b>	Financial
Number of high potential incident announcements (HIPOs)	5	6	3	2	<b>2</b>	Financial
Integrity related incidents <sup>c</sup>	8	3	2	0	<b>1</b>	Financial
<b>Environmental<sup>d</sup></b>						
Sulphur oxides (SOx) emissions - tonnes	6,679	6,390	6,638	5,903	<b>6,750</b>	Calendar
Nitrogen oxides (NOx) emissions - tonnes	2,596	2,433	2,117	2,807	<b>3,067</b>	Calendar
Non-methane hydrocarbons (NMHCs) - tonnes	10,027	11,157	8,465	8,134	<b>8,056</b>	Calendar
Hazardous waste disposed - tonnes <sup>e</sup>	5,493	11,363	12,448	26,840	<b>34,542</b>	Calendar
Non-hazardous waste disposed offsite - tonnes <sup>f</sup>	5,387	15,951	17,206	47,022	<b>25,595</b>	Calendar
Non-hazardous waste recovered / recycled offsite - tonnes	1,035	3,363	7,147	7,784	<b>5,808</b>	Calendar
Potable water used - million litres	1,547	1,493	1,613	1,266	<b>497</b>	Calendar
Freshwater and reclaimed water used - million litres	3,720	3,546	3,870	3,688	<b>4,290</b>	Calendar
Discharges to water - million litres	2,217	2,036	2,202	2,142	<b>2,143</b>	Calendar
Direct greenhouse gas (GHG) emissions - million tonnes CO <sub>2</sub> equivalent	1.24	1.42	1.35	1.51	<b>1.55</b>	Financial
Indirect greenhouse gas (GHG) emissions - million tonnes CO <sub>2</sub> equivalent	0.32	0.38	0.39	0.49	<b>0.47</b>	Financial
Total greenhouse gas (GHG) emissions - million tonnes CO <sub>2</sub> equivalent	1.56	1.80	1.74	1.99	<b>2.02</b>	Financial
Environment and safety fines > A\$5,000 - \$A	0	0	0	0	<b>0</b>	Financial
Environmental liabilities - A\$ million	33.1	30.9	33.2	23.2	<b>33.4</b>	Calendar
<b>People</b>						
Employee turnover - % <sup>g</sup>	9	9	11	18.7	<b>11.2</b>	Financial
Number of employees and contractors	4,160	5,643	6,083	5,489	<b>4,657</b>	Financial
Women in workforce - %	37	38	39	37	<b>37</b>	Financial
Women in leadership - % <sup>h</sup>	31	33	21	17	<b>25</b>	Financial
<b>Performance</b>						
Total refinery throughput - thousand barrels per day	197	193	208	195	<b>204</b>	Calendar
Shop sales - A\$ million <sup>i</sup>	188	263	345	355	<b>355</b>	Calendar
Total hydrocarbons produced - thousand barrels of oil equivalent <sup>j</sup>	99.2	96.3	98.5	94.4	<b>106.8</b>	Calendar
Historical cost operating profit before tax - A\$ million	1,390	1,442	1,900	1,405	<b>1,019</b>	Calendar
Donations and sponsorships - A\$ million	1.69	2.09	1.98	1.56	<b>1.75</b>	Calendar
Salary and employee benefits - A\$ million	377	547	661	833	<b>661</b>	Calendar
Total remuneration for directors - A\$ million	4.30	6.37	7.68	7.87	<b>8.91</b>	Calendar
Tax paid to governments - A\$ million	332	431	464	282	<b>434</b>	Calendar

<sup>a</sup>Safety data covers BP-operated assets only.

<sup>b</sup>Workforce refers to employees and contractors.

<sup>c</sup>Data for integrity related incidents is reported for MIAs and HIPOs only.

<sup>d</sup>Environmental data includes BP-operated assets only.

<sup>e</sup>Hazardous waste figures for previous years have been adjusted to account for more accurate waste figures for our retail service station network.

<sup>f</sup>Non-hazardous waste figure for 2008 has been adjusted to account for more accurate waste figures for our retail service station network.

<sup>g</sup>Corporate turnover figures (excludes retail sites).

<sup>h</sup>Includes percentage of women in group leadership positions.

<sup>i</sup>Includes company-operated sites only.

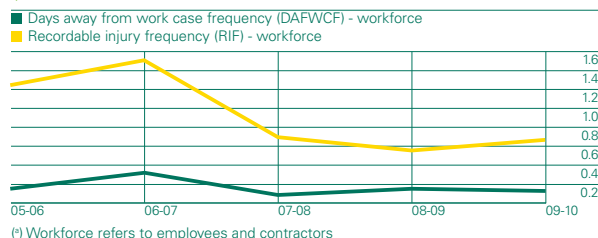
<sup>j</sup>Total hydrocarbons produced is BP's equity share of the North West Shelf Venture.

## Safety

In 2009-10, our days away from work case frequency improved, but our recordable injury frequency was considerably higher than the previous year. We continue to work to improve our performance, with a sharp focus on process safety and the introduction this year of the BP Operating Management System (OMS), designed to ensure that a rigorous approach to safe operations continues to be taken.

## Personal safety - recordable injury and days away from work case frequency\*

(per 200,000 hours worked)

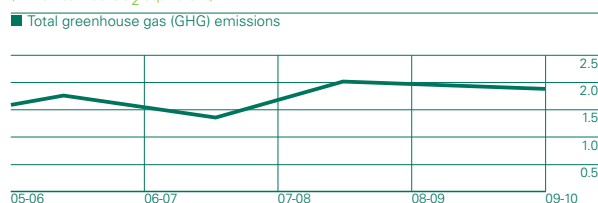


## Environmental

Operational GHG emissions for BP Australia in 2009-10 remained steady at 2.02MtCO<sub>2</sub>e. We previously reported an increase in emissions in 2008-09 which coincided with new reporting requirements under the National Greenhouse and Energy Reporting Act (NGERS).

## Total greenhouse gas emissions<sup>1</sup>

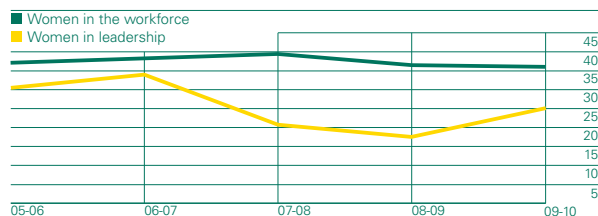
(million tonnes CO<sub>2</sub> equivalent)



## People

Thirty seven percent of our total workforce of employees and contractors were female in 2009, a proportion which has remained steady for a number of years. There was a considerable increase in women in leadership positions (47%). Twenty five percent of senior executives are women – including the chief financial officer and the Bulwer Island refinery managing director. Fifteen percent of senior management are female.

## Women in workforce and leadership (%)



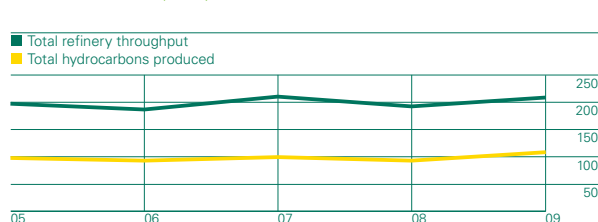
## Performance

Hydrocarbons production increased significantly – by 13% – between 2008 and 2009. This was principally due to increased capacity at the LNG processing plant at the North West Shelf.

Refinery throughput increased 5% between 2008 and 2009 at both Bulwer Island and Kwinana. This was due to major refinery turnarounds that occurred in 2008, which resulted in lower production for that year.

## Operational indicators<sup>m</sup>

(thousand barrels of oil per day)



\*Workforce refers to employees and contractors

<sup>1</sup>Includes direct and indirect operational greenhouse gas emissions

<sup>m</sup>Total hydrocarbons produced is BP equity share. Total refinery throughput is thousand barrels of oil equivalent per day from our Bulwer Island and Kwinana refineries

## How BP in Australia operates

### Our operations

BP in Australia is engaged in the exploration for and production of oil, natural gas and liquefied natural gas and the refining, transportation and marketing of petroleum and lubricant products, as well as power trading and design, construction and marketing of solar photovoltaic products.

BP has had a presence in Australia since 1919. Today, we are involved in a range of activities, such as exploring for natural gas and crude oil resources. We also refine and market petroleum products, produce and market lubricants, and help to generate a significant amount of solar power.

#### Exploration and production

BP Australia's current exploration and production activities are predominantly focused on the North West Shelf Venture (NWSV), which accounts for more than 80% of Australia's liquefied natural gas production (LNG) and almost 15% of Australia's crude oil production.

Discovered in the 1970s, the resource has been developed as a joint venture between some of the world's largest oil companies, including BP, Shell and Chevron. It is operated by Woodside Energy.

Significant gas and oil discoveries have made the NWSV Australia's largest resource project with three main areas of activity: liquefied natural gas (LNG), domestic gas (or domgas) and oil production. BP is a foundation investor and has approximately a one-sixth equity share in the project.

The NWSV produces a range of hydrocarbon products: natural gas, LNG, liquefied petroleum gas (LPG), crude oil and condensate. BP's equity share of production totaled 106.8 thousand barrels of oil equivalent per day in 2009.



In 2009, the NWSV reached two significant milestones: 25 years of domestic gas production, and 20 years of LNG exports to international customers in the Asia Pacific region, where LNG provides power and gas for Japan's major industrial regions as well as consumers in China and Korea.

In addition to the operations of the NWSV, we have interests in two other offshore areas, incorporating the Browse and Jansz-lo fields.

The Browse gas fields include the Brecknock, Calliance and Torosa discoveries. These are located offshore approximately 425km north of Broome, Western Australia and contain natural gas and condensate. The natural gas in the Browse gas fields will primarily be converted into LNG for export to international markets.

The proposed Browse LNG development is a joint venture between Woodside, BHP Billiton, BP, Chevron and Shell. As with the NWSV, Woodside Energy is the operator of the Browse LNG development. The joint venture is likely to be in a position to make a final investment decision on the development by mid-2012.

The Jansz-lo field, together with a series of nearby fields, is operated by Chevron Australia as part of the Greater Gorgon Area development. BP is working with its co-venturers to progress the development of the Jansz-lo field through the proposed LNG facilities on Barrow Island, although BP is not a participant in the latter.

#### Refining

Of the seven refineries in Australia, BP operates two – Bulwer Island and Kwinana. The BP refineries produce a range of products including Unleaded, Premium Unleaded, BP Ultimate™ and Opal®, diesel fuels, aviation fuel, including jet fuel and aviation gasoline, bitumen, fuel oil, hydrogen, kerosene and LPG (including propane and butane).

BP Refinery Kwinana is the largest refinery in Australia. It has a capacity of 8,280 million litres per year, and is the only refinery in Western Australia (WA). It began operations in 1955 and supplies most of WA's fuel needs.

BP Refinery Kwinana loads petrol, diesel and other products from its jetty at the refinery. We supply these and other products, such as ship's bunker fuel, by pipeline to BP's North Fremantle terminal.

Petrol, diesel and jet fuel are pumped by pipeline to BP's Kewdale terminal where road trains, rail tanker and semi-trailers are loaded with fuel for distribution throughout WA, including BP's terminal at Kalgoorlie. This is a key distribution point for fuels and lubricants for the mining sector such as the gold and nickel industries.

BP's Bulwer Island refinery is situated in Queensland on an area of reclaimed land bound by the Brisbane River and Boggy Creek. It has a capacity of 5,910 million litres per year.

Originally built in 1965 by Amoco, the refinery was acquired by BP in 1984 and has since undergone several expansions and technology upgrades that enable the facility to produce cleaner transportation fuels.

Products from Bulwer Island are distributed mainly via pipeline to the nearby marketing terminal at Whinstanes, and to other product terminals in Brisbane where they are then distributed by road tankers. Jet fuel from Bulwer Island is supplied via a direct pipeline to the Brisbane airport and LPG is delivered to a local terminal for onward distribution by truck. The remainder of the products is sent via the product wharf to terminals in Gladstone, Mackay and Townsville. Occasionally, shipments go to other locations such as Sydney, Newcastle and Antarctica.



## Marketing

BP Australia's downstream business distributes petroleum products to retail, wholesale, aviation and marine customers, railroad, mining and many other industrial businesses.

We supply fuel to approximately 1,400 service stations around Australia. We own and operate around 220 of these; the remainder being independently-owned and selling fuel under the BP brand.

We provide a variety of fuels and lubricants directly to commercial customers, from the mining industry to road transport, rail, marine and construction.

We transport our products across oceans, around the coastline using both BP-owned and chartered vessels. Our shipping division provides the logistics to move BP's oil and gas cargoes to market as well as marine assurance on vessels and marine structures in the BP group.

Our bitumen business operates four sites and supplies products to customers including state road authorities, road contractors and local government.

Air BP, a specialized aviation division of BP, markets its fuels, lubricants and related services to a variety of aviation customers, including private and corporate aircraft owners, commercial airlines, airport operators and the Australian Defence Force at many sites across Australia.

## BP Solar

BP Solar is one of the main suppliers of solar electricity products and services in Australia. It provides solar electricity systems to residential, commercial and industrial customers throughout Australia, New Zealand and the Asia Pacific region.

Some of the largest solar photovoltaic (PV) electricity systems in Australia have been delivered by BP Solar, such as the 100kW system on a Cadbury Schweppes facility in Sydney and the 200kW installation on the Queen Victoria Markets in Melbourne. Over the years we have also supplied solar power systems for remote mining operations and telecommunication sites across Australia.

## Getting to know BP's new refinery leaders



**Susan Dio**  
Managing Director  
Bulwer Island Refinery  
February 2010

I joined BP as a chemical engineer at the Greenlake Texas plant. As the daughter of a US Navy officer and a BP employee since 1984, I've had the opportunity to live and work in many different places. However, Bulwer Island refinery is my first posting in Australia and I'm very excited by the prospect of living and working in Brisbane.

Throughout my career, I've always loved the manufacturing environment and my management style is to be out and about in the plant regularly. It's important to see operations at first hand and ask a lot of questions. I believe in teamwork and love to support teams doing extraordinary things.

One thing I'm passionate about is community service. I have been actively involved in community service throughout my career, serving on local boards and clubs in all locations where I have worked. I believe strongly that BP should give back to the communities where we have operations.



**Des Gillen**  
Managing Director  
BP Refinery Kwinana  
March 2010

I joined BP almost 24 years ago as a chemical engineer in the UK and have spent more than half my career in manufacturing plants in the UK and Netherlands. Over the years, I have had the great fortune to have worked with many outstanding teams and have been involved in many great projects, but I'm particularly excited about being given the opportunity to join the team at Kwinana refinery.

In my opinion Kwinana has established a formidable track record in the areas of personal safety and operational and financial delivery. This is something of which everyone at the refinery can be justifiably proud and gives us a strong base to build on.

One of the things I've learned in my career with BP is that people are capable of truly amazing things when the expectations are clear and when everyone is clear on their contribution to the team effort. The challenge is to be able to create that sense on an ongoing basis – that really is the essence of continuous improvement.

## Business strategy

### Exploration and Production

The strategy of our exploration and production business is to build a material presence in Australia by growing our existing business, commercializing new projects and gaining access to new areas.

Our existing business includes our one-sixth share in the giant North West Shelf development (NWS). We are already undertaking significant investment in the NWS through the A\$5 billion North Rankin redevelopment project which will extend the field life to around 2040, and the A\$1.8 billion oil redevelopment project to replace the Cossack Pioneer Floating Production, Storage and Offloading vessel (FPSO) and associated subsea infrastructure. In addition we are evaluating the options of developing the remaining discovered resources in the NWS area, as well as undertaking further exploration activities.

Growth options are being progressed through our interests in commercializing undeveloped resources such as the new Browse LNG development and the Jansz-lo field (which is being developed via the Gorgon project). We are also evaluating the commerciality of several other gas discoveries close to Jansz-lo in the Greater Gorgon area.

### BP Refinery Kwinana, Western Australia



### Refining and Marketing

BP Australia's refining and marketing business strategy is based on four strands: operating safely and reliably; winning against the competition; growing our underlying earnings; and sustaining our business for the long-term. We aim to sustain our business by having strong relationships, leading innovation and protecting the environment. We are striving to reduce the impact and improve the efficiency of our operations through measurable targets.

We have maintained our focus on process safety by implementing our Operating Management System. Our day away from work case frequency rate has improved and reliability at our refineries continues to improve with both refineries achieving more than 94% availability.

We continued to generate significant profits, recording a replacement cost profit of A\$563 million, some 30% more than our closest competitor.

To capture growth opportunities we continue to invest in infrastructure in areas such as Port Hedland, Townsville and Brisbane. In retail markets we continue to increase the availability of high octane motor spirit and cleaner-burning BP Ultimate 98 and Ultimate diesel™.

We also continue to improve our retail offer to customers. We are focusing our investment on higher-return travel centres and are expanding corporate card programmes.

## Corporate governance

BP operates globally according to a system of internal control that extends from corporate governance policies at board level to detailed processes applied in its operations. The board is responsible for the direction and oversight of BP p.l.c. on behalf of shareholders; it is accountable to them, as owners, for all aspects of BP's business. The board sets the tone from the top, and has established a set of board governance principles, which delegate management authority to the Group Chief Executive (GCE) within defined limits. These include a requirement that the GCE will not engage in any activity without regard to health, safety and environmental consequence. On 1 January 2010, the board was composed of the chairman, eight non-executive directors and five executive directors.

The board maintains five permanent committees that are composed entirely of non-executives. They include the audit committee, the remuneration committee and the safety, ethics and environment assurance committee (SEEC). The board and its committees monitor the GCE's identification and management of group risks – both financial and non-financial.

BP's activities in Australia are operated by BP Australia Group Pty Ltd, a company domiciled in Australia, and the entities it controls. Its ultimate holding company is BP p.l.c. In recognizing the need for the highest standards of corporate behaviour and accountability, the directors of BP Australia Group Pty Ltd have adopted, and operate within, a set of governance policies that go beyond regulatory compliance.

As a significant business in Australia, we are mindful to carry out our activities in a way that does not abuse the influence (or perceived influence) we have as a result of our scale. We aim to operate openly and honourably in all dealings with government, for example.



Our commitment to integrity is enshrined in our code of conduct, which summarizes standards for the way we should behave, defining what we expect of our business and our people. We have clearly-established mechanisms to enable people to raise concerns about possible breaches of the code.

We are pleased to report that in August 2010 BP Australia signed a new Annual Compliance Arrangement (ACA) with the Australian Taxation Office (ATO) covering GST, excise and fringe benefits tax. We believe we are the only company in Australia to have an ACA covering these three heads of tax.

## Risk management

Our systems of risk management are designed to cope with the varied nature of our operations and their surrounding environments, from major projects through to day-to-day activities. The responses to risks are provided through the establishment of standards and other controls. Our ability to identify, assess and respond effectively to the material risks enables us to capture opportunities, prevent threats materializing and drive efficient operations and compliance with laws and regulations.

We take steps to identify and manage potential environmental and social risks associated with access to sensitive areas through the implementation of a screening process set out in a global group defined practice.

Within BP Australia, each business has a business risk register which identifies commercial and operational risks and helps to focus management activities and action plans. A risk committee meets quarterly and reviews these risks and the actions being taken to mitigate them.

An example of a high risk would be an explosion occurring in the process area of one of our refineries, damaging the refinery's office building. Risk mitigation would involve relocating office facilities and constructing a new building capable of withstanding a potential blast. A project of this nature is due for completion at the Bulwer Island refinery in 2011.

BP also seeks to identify and manage any risks resulting from a change to plant, process or people. We have recently started to implement a new electronic system "E-moc" to capture and monitor our management of change process.



## Diverse and affordable energy

BP believes that a diverse energy mix including fossil fuels and renewables, produced and used efficiently, is best able to meet demand affordably while also providing security of supply and addressing the issue of climate change.

The energy market of the future will be shaped by the strength of demand and the availability of supply, as well as by the way the industry and policy-makers respond to the challenges of energy security, environmental sustainability and enabling economic development.

### In this section:

- Meeting the energy challenge
- Sustaining production and supply
- Investing for the future
- Petrol pricing





## Meeting the energy challenge

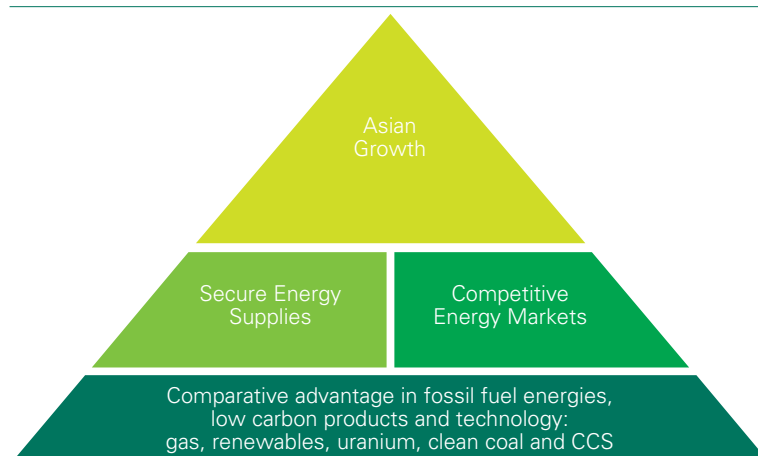
Global energy demand is set to grow in the future. The International Energy Agency (IEA) anticipates growth of 40% in energy consumption by 2030 if current trends continue or 20% in a scenario where emissions are sharply constrained.

In the short term, demand has been affected by the global economic downturn. The *BP Statistical Review of World Energy June 2009* reported that overall growth in energy demand in 2008 was only 1.4%, the slowest growth since 2001. At the same time the geographical pattern of demand is shifting, with energy consumption in highly industrialized economies overtaken by that of developing countries. China alone accounted for nearly three-quarters of the world's growth in energy use in 2008.

We believe that Australia stands on the verge of a deep structural change created by the urbanization and industrialization of Asia. This change is creating new demands for Australian energy exports of many times the current levels. Like the rest of the world, Australia also faces an intense challenge to find lower carbon forms of energy, while the traditional priorities of energy policy (to enhance security and to promote competition) remain as important as ever.

In our submission to the Federal Government's Energy White Paper process in 2010, we argued that domestic energy policy needs to take account of this external context – in particular the growth of Asia and the demand for a low-carbon future.

### New energy policy priorities



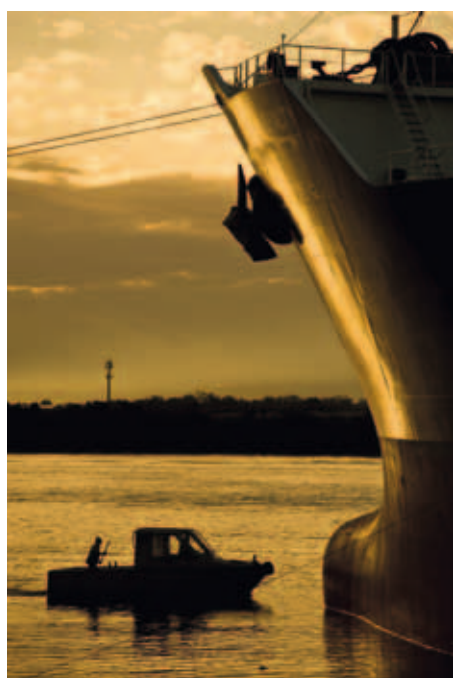
The emergence of Asian growth and a low-carbon future have not negated the importance of domestic energy security and competitive markets. But they have substantially increased the energy policy significance of our energy exports, and of investing in an underlying comparative advantage in low-carbon energy products. Consequently, instead of two dominant priorities, there are now four equal priorities for energy policy.

These four priorities should not compete with each other; indeed, with the correct policy settings they will reinforce each other. Low-carbon energy products, such as natural gas, will strengthen our energy security and introduce new diversity into the domestic market, and are also leading our response to the new energy demands in Asia. However, with the wrong policy focus, the priorities could compete with each other, which could threaten long-term competitive markets and the ability to meet Asian demand by deterring new energy investments.

A successful energy policy can harness all four priorities so they complement each other, enhancing Australia's ability to capitalize on the opportunity for prosperity presented by them.

## Sustaining production and supply

To safeguard and strengthen Australia's energy security and meet the needs of a growing economy and the growing economies in our region, BP believes that the domestic resource base needs to be supported and investment needs to continue in the country's energy infrastructure.



### Image

BP ship British Loyalty docking at Bulwer Island refinery product wharf, Brisbane, Australia.

The NWSV continues to invest in the project to maintain deliverability and maximize resource recovery. For example the North Rankin redevelopment project (an investment of A\$5 billion which was sanctioned in 2008) is in progress and the Cossack Pioneer FPSO is in the process of being replaced at a cost of A\$1.8 billion. Further investment to maintain integrity over the remaining life of the asset can be expected, whilst the NWSV is both evaluating the options to develop further existing discovered resources and also continuing to conduct exploration activities.

Continuous investment in infrastructure is essential if our two Australian refineries are to continue operating safely and efficiently.

At Bulwer Island refinery, more than \$150 million has been invested over the past few years on projects to improve reliability and productivity. In the past year we completed projects to add a new hydrogen compressor, enabling us to manufacture additional hydrogen for cleaner fuel production, to upgrade the power supply and distribution network to improve reliability and commissioned a new flare to improve process safety. Further work was carried out to improve the site entry, roadways and the stormwater management system.



At BP Refinery Kwinana, our \$65 million diesel upgrade project will ensure that the sulphur content of all diesel fuel produced at the refinery meets the new national standards. We are also expanding our liquefied petroleum gas (LPG) storage and improving safety systems to allow the refinery to increase production of LPG during the summer months.

Maintaining port access to the refineries for the ships which import crude oil and export product is a key part of ensuring continuity of supply. We believe that any developments at local ports need to take into account refinery activities and the strategic significance of their operations. The decision by the Queensland Government to sell the Port of Brisbane to private investors is a matter of interest to BP and, although we have had no direct involvement in the sales process, we continue to maintain a watching brief.

### Securing fuel supplies to our customers

BP strives to maintain reliable fuel supplies for its customers, and to be able to respond to difficult market conditions. By increasing both the volume and range of imported fuel product, we can improve our flexibility to manage intermittent supply issues more effectively and minimize the impact to our customers. For example, we plan our major refinery overhauls, or turnarounds, to ensure that continuity of supply is maintained.

In August 2009, we opened BP Australia's new liquid fuels import facility in the Port of Newcastle. The \$40 million facility enables BP to directly import diesel and petrol into the Port of Newcastle, providing an alternative and reliable source of fuel to meet future demand growth from the region's industry and motorists. The investment represents a major upgrade to energy infrastructure in the region. As part of the infrastructure upgrade, BP has created 40 million litres of new fuel storage capacity. This includes a new 31 million litre diesel storage tank, and capacity for increased storage of petrol and ethanol.

## Investing for the future

BP Australia is committed to supporting prosperity by providing compelling investment opportunities.

### Investing in production

BP is investing as part of a joint venture to develop the Jansz-lo field (which is being developed via the Chevron-operated Gorgon LNG project), and is also evaluating the commercial prospects of several other gas discoveries close to Jansz-lo in the Greater Gorgon area.

In December 2009, the retention leases covering the Browse LNG development were renewed by the Federal and Western Australian Governments, subject to certain conditions. These conditions include the requirement to undertake a \$1.25 billion work programme, select a development concept and make a final investment decision by mid-2012, subject to necessary approvals and consents.

On 9 February 2010, the joint venture participants selected the Western Australian Government's LNG Precinct near James Price Point in the Kimberley region as the location for the project's onshore plant.

This decision was reached after evaluating the commercial, technical, environmental and social risks of the development and concluded that James Price Point is the best option. As the development progresses, BP requires the operator (Woodside Energy) to be able to demonstrate that the project complies with our group defined practice in relation to environmental and social requirements for new access projects, major projects, international protected area projects and acquisition negotiations.

In 2009, we began construction of two bitumen import facilities in Queensland. One facility will be located on the Brisbane River at Pinkenba. The second, located at the Port of Townsville, will include a specialty products bitumen manufacturing facility.

Together, the facilities will be capable of supplying more than 330,000 tonnes of bitumen per year, increasing BP's bitumen supply capacity by more than 50%. These additional volumes will help meet a forecast growth in the demand for bitumen projected from current and future Queensland road infrastructure projects.

Some \$76 million has been spent on these facilities. They will be completed and fully commissioned in 2011.

In order to improve safety and reliability, we are considering plans to expand our site at Bulwer Island refinery. Bulwer Island was originally a tidal mangrove island which was reclaimed in the early 1960s by the Department of Harbours and Marine to establish it as an industrial area.

Currently the refinery has access to sufficient land to allow expansion without recourse to the Native Title process. However, we are also developing a cultural heritage plan to address the impacts of our expansion plans on indigenous heritage. The plan will form the basis of our discussions with local stakeholders.

Phil Home, BP Australia's head of Exploration and Production, discusses the business he runs and some issues of note during the 2009-10 period.



### How does the BP group view its exploration and production business in Australia?

We have a portfolio of high quality assets which offer significant value to the group – and the group recognizes this. Production comes from a one-sixth share in the giant North West Shelf development and growth options are being progressed via the Jansz-lo field (which is being developed in a cooperative development with the Gorgon project) and the Browse project. Gorgon is expected to begin production in 2014-15 and Browse could follow in around 2017.

### Olexobit® Max: an investment in Australia's roads

BP Australia has developed a unique bitumen product, OLEXOBIT® MAX, which provides road surfaces with improved stone adhesion and greater resistance to cracks. Bitumen road seals cover more than 80% of the Australian road network and protect road pavements valued at over A\$70 billion. These bitumen-sealed roads can suffer loss of structural strength and serviceability as a result of moisture entering through surface cracks.

BP Australia has developed a global-first laboratory test that measures the relative performance of bitumen in reducing crack formation in road seals, thus alleviating the need for lengthy and expensive road trials. This was used to develop and demonstrate a unique polymer-modified bitumen product, OLEXOBIT® MAX. This product has proved so successful that within six months of product launch sales were more than 40% above year two targets.

**Q How has the Deepwater Horizon incident affected BP's business?**

The sinking of the Transocean drilling rig Deepwater Horizon in the Gulf of Mexico, following an explosion on 20 April 2010, was a devastating tragedy that claimed 11 people's lives and had a widespread environmental impact. After the initial attempts to stem the leak, the flow of oil was stopped on 15 July 2010 with the installation of a sealing cap. No oil has flowed into the Gulf of Mexico since then. In early August, we cemented and secured the well from the top as part of a 'static kill' procedure. On 19 September 2010, the Macondo well was permanently sealed following the drilling of a relief well. Onshore, restoration efforts are progressing – large areas of the Gulf Coast shoreline are now free of oil and fishermen are returning to work. BP has made a commitment to finish the work to restore people's livelihoods and the environment. BP has also completed its internal investigation and is committed to implementing the recommendations from the report.

**Q What specifically has BP done in response to Deepwater Horizon?**

Although we don't operate any drilling rigs in Australian waters, we have elsewhere in the world carried out extensive reviews of our drilling operations. A specific focus has been on the design and maintenance of subsea blowout preventers (BOPs), BP's internal investigation, which was published in September 2010, demonstrates the tremendous complexity of the events leading up to the accident and identifies eight key findings on the cause of the incident. The report states that no single factor caused the tragedy and multiple parties were involved.

BP's chief executive Bob Dudley responded by stating that the BP Board has accepted the report's recommendations. BP is now working to determine how best to implement the report's recommendations and also to ensure that the lessons learned are shared with the industry.

**Q And what do you think the long-term implications are for Australia?**

BP has published its investigation report and also a report into the lessons learned from both the containment effort and the oil spill response. Locally we have begun to share these with the industry through the Australian Petroleum Production and Exploration Association (APPEA). Building on our experience and learning from the capability developed in the Gulf of Mexico,

there are opportunities for the industry in Australia to be better prepared to respond to a subsea disaster as well as to reduce the likelihood of an incident occurring in future.

**Q Turning to the future, where does BP stand on the decision to select James Price Point as the location for the Browse onshore facilities?**

The site for the LNG Precinct in the Kimberley was selected by the Western Australian Government as a result of, what I believe was, a robust and transparent process, and the use of the Precinct for the Browse LNG development is a condition in the retention leases for the fields. The final decision is still subject to a rigorous and independent environmental approvals process; but depending on the outcome we do believe James Price Point can be an appropriate development site.

**Q What is your reaction to the Western Australian Government's decision to proceed with compulsory acquisition of land at James Price point?**

We are still hopeful that a negotiated Indigenous Land Use Agreement or similar form of support can be reached, and we have said that we stand by the commitments in the benefits package negotiated in April 2009 between the Western Australian Government, Woodside and the Kimberley Land Council. We recognize that it is the Western Australian Government's decision on how to progress its provision of an LNG Precinct, but I am hopeful that the parties will all be willing to continue to negotiate in parallel.

**Q These new projects appear to be focused on selling LNG to Japan and China. Can Australia continue exporting LNG to Asia?**

Yes, Australia's gas supplies far exceed domestic demand and it is possible for us to both export LNG and have secure gas supplies at home. In our submission to the Federal Government's Energy White Paper process, we argued that there should be four priorities for energy policy: how to capture the opportunity for prosperity presented by Asia's growth; how to secure domestic energy security; how best to transition to a lower carbon future; and the role of competition policy in Australia's long-term growth rate. These priorities are all important and we should strive to deliver on all of them.

**Q Fiscal reform has been a highly contentious issue. What is your position?**

The Henry Tax Review offered a blue-print of how Australia's tax system could be developed over the medium to long term. Clearly, many of its recommendations have yet to be responded to by the Government, and there is a tremendous amount of detail to be attended to. We are currently assessing the impact of the current proposal to apply the Petroleum Resource Rent Tax (PRRT) to the NWSV. In parallel we continue to advocate a cash-flow based taxation system, for which accelerated depreciation for LNG projects might be an interim step, as a means to encourage new investments and further enhance Australia's position as an energy exporter to Asia.

**Q What's the significance of the decision to allow joint marketing of NWS gas to domestic customers?**

The NWSV participants have historically jointly marketed the gas sold into Western Australia. This arrangement reflects the relatively illiquid and immature WA gas market. The situation is subject to periodic review by the Australian Competition & Consumer Commission (ACCC). A recent review supported the NWSV participants' contention that joint marketing would lead to a higher level of gas being supplied into the WA market than would be the case if the participants were to market separately. We believe this to be the best outcome pending the development of a deeper market for gas in WA.





## Petrol pricing

Many consumers believe that the price of petrol is based only on the crude oil price. In reality, it is based on a number of factors.

### Three main components currently make up the price of unleaded petrol in Australia:

- **Product cost:** includes refined petroleum product price, quality premiums and import costs.
- **Operating costs and margin:** includes terminal costs, operating costs and wholesale and retail margins.
- **Taxes:** includes excise and goods and services tax (GST).

### Retail petrol price components:

National average 2008-09



Source: Australian Institute of Petroleum

### Product cost

While crude oil is the major input for the production of petrol, the price of petrol is not solely related to the crude price, but to the market price of refined product. As there are different supply and demand factors influencing the markets for crude and products, they do not always move in the same way. Prices in Australia are based on product prices on the Singapore market. Usually products purchased on the Singapore market are denominated in US dollars, so changes in the USD/AUD exchange rate will also affect the price paid at the pump.

The Australian government imposes stringent quality specifications governing the attributes of our petrol. Prices quoted on the Singapore market are for products which may not represent the level of quality required for the Australian market. This element – quality premiums – represents the additional cost to obtain product of the quality required in Australia.

As the Singapore product price is based on pick-up from Singapore, we also factor in the costs of importing product into our Australian terminals. These costs include such items as shipping freight, wharfage and insurance. The most significant cost is shipping. This cost is based on the international market rate for shipping, and can move dramatically in response to supply and demand for ships.

### Operating costs and margin

The price of petrol also needs to cover the operating costs incurred by oil companies and retailers, as well as providing reasonable wholesale and retail margins. They include items such as terminal costs, transport delivery costs and site operating costs. As the market in Australia is very competitive, these margins represent only a small portion of the retail price.

### Taxes

One of the largest elements of the price of fuel is tax applied to petrol. These currently include Federal Excise Duty of 38.1 cents per litre, various state fuel subsidies and fuel sales grants and Federal Government's GST of 10 per cent which is charged on all price elements (including excise).

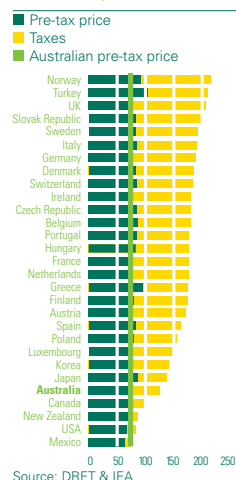
### A transparent and price-competitive market

BP believes that the petroleum industry in Australia is highly competitive, contestable at all levels, and price build-ups are amongst the most transparent of any industry in the country.



### Diesel prices and taxes in OECD countries: september quarter 2009

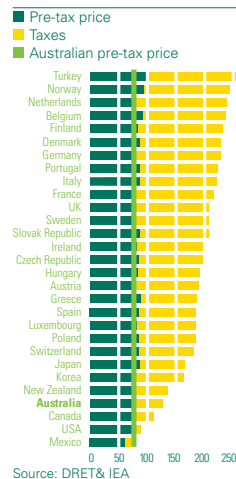
Diesel: cents per litre



Source: DRET &amp; IEA

### Petrol prices and taxes in OECD countries: september quarter 2009

Petrol: cents per litre



Source: DRET &amp; IEA

## Low-carbon energy

BP has a decade-long track record of advocating and taking precautionary action to address climate change.

We continue to develop cleaner transportation fuels and low-carbon alternatives for power generation to help meet the world's demand for energy.

### In this section:

- Our position on climate change
- Cleaner fuels
- Cleaner power



## Our position on climate change

Climate change is a major global issue – one which justifies precautionary action in pursuit of a long-term goal along with a programme of action to deliver it.

BP believes both government and industry need to play their parts in achieving such a goal: governments by setting an appropriate policy framework and companies by investing within that framework to deliver a sustainable energy mix. The scale of change required can only be achieved through policy-makers acting to provide a clear, stable framework for investment.



### Carbon pricing

In particular, we support a price for carbon on the basis that there will continue to be great uncertainty in planning and making investments in low-carbon solutions, until consumers and producers recognize and pay a carbon price. We believe this price should treat all carbon equally, whether it comes out of a smokestack or a tailpipe.

We believe carbon pricing will make energy conservation more attractive and alternative energy more competitive. It will allow informed investment in fossil fuels while encouraging investments in the technology necessary to reduce the carbon they produce. In our view, carbon pricing is most effective when achieved through 'cap-and-trade' systems in which emissions are capped and participants trade emissions allowances.

In Australia, BP has been involved in the policy debate around carbon pricing for several years, and we were disappointed by the decision to postpone the implementation of the Carbon Pollution Reduction Scheme (CPRS). We still believe that Australia's policy response to climate change is best managed at a national level, and support the introduction of a market-based mechanism such as an emissions trading scheme.

Furthermore, while carbon pricing systems develop, we believe other transitional incentives may be necessary, in the form of government support and regulation, to stimulate investment in energy efficiency, innovation and the deployment of emerging low-carbon power.

## Cleaner fuels

BP Australia provides fuels and lubricants that seek to improve performance, including fuel economy, and therefore help to protect the environment.

BP Ultimate™ is a 98 octane premium fuel formulated to produce fewer harmful emissions. Since its launch in 2000, sales have grown significantly with growth of more than 10% in 2009-10 compared with the previous year.

We are extending the availability of BP Ultimate Diesel™, a high-performance fuel designed to improve engine performance while producing lower carbon monoxide, CO<sub>2</sub> and hydrocarbon emissions. BP Ultimate Diesel™ is now available in Queensland, South Australia and Western Australia, and plans are now being formulated to make it more widely available.

After a temporary withdrawal of the product due to storage-related issues, BP Ultimate Diesel™ was reintroduced for sale in May 2010. Sales volume more than doubled in 2009-10, compared with the previous year.

### Biofuels

Our ethanol unleaded blend (E10) is sold in New South Wales and Queensland. In New South Wales, mandatory requirements exist for biofuels. BP has complied with the ethanol requirements, and has met the mandated target for supply of E10.

In January 2010, the New South Wales government introduced mandated volumes (2% of sales) for bio-diesel. BP is investing more than \$2 million in the Shell-operated terminal at Parramatta, in order to meet the government mandate.

Concern over the environmental impact of biodiesel supply has resulted in BP Australia reviewing its position in relation to sourcing biodiesel feedstocks such as palm oil and biodiesel derived from soya.

BP's confidence in the quality of its fuels is reflected in the BP fuel guarantee. This states that BP guarantees to customers who use BP service stations that its fuels are clean, and assuming related criteria are met, will not cause fuel system problems.





## Cleaner power

BP aims to play a leading role in the growing low-carbon energy sector, developing large-scale businesses that compete with traditional forms of power.

### Solar

According to the International Energy Agency, installed solar photovoltaic capacity increased from 8 gigawatts (GW) in 2007 to 13GW in 2008. This is projected to rise to 200GW by 2030, with two-thirds of it installed in OECD countries.

BP has been providing solar power for more than 35 years and shipped its ten millionth module in 2009. The business is constantly evolving and today our focus is on increasing our competitiveness and our share in residential, commercial and the emerging utility customer markets.

BP Solar is a key player in the market for solar power in Australia. Despite a challenging global market in which sales prices fell by around 40% and newly installed capacity was less than in 2008, our Australian solar module sales to households and small businesses increased by 50% in 2009.

In addition, the BP Solar project team continues to deliver fully installed systems to larger businesses. We have completed 177 two to six kilowatt (kW) solar power systems for NSW schools across the state and are working to deliver 75 more. We have commissioned more than 500kW of iconic installations on commercial rooftops across Australia since 2008.

### Delivering commercial-scale solar power to Australia

The Federal Government's Solar Flagships programme is designed to accelerate the commercialization of solar power in Australia. It will select and fund two large-scale grid-connected solar projects.

Of the 52 applications that entered the first round of the programme, eight have been selected to move onto round two, including BP Solar's proposal for a 150MW photovoltaic system project in New South Wales.

During this round, applicants will receive feasibility funding to develop more extensive applications. These should include details of final site selection, community consultation and site approvals, engineering and project financing. Two winning applicants are expected to be announced in the first half of 2011.

In November 2009, the New South Wales government announced that it supported introducing a gross solar photovoltaic (PV) feed-in tariff (GFIT). A feed-in tariff is a premium rate paid to householders and businesses for electricity produced by a renewable source such as grid connected rooftop solar power systems. The electricity generated from these systems is fed back into the mains grid for distribution throughout the network.

BP believes that feed-in tariffs like this are effective complementary government policies that can stimulate the necessary investment in the deployment of low-carbon power.

### Carbon capture and storage

BP globally has been playing a leading role in carbon capture and storage (CCS), which can capture most of the carbon dioxide emissions from a power plant or major industrial project by capturing the CO<sub>2</sub> and storing it underground in depleted oil or gas reservoirs or saline aquifers.

CCS is recognized for its potential to decarbonize economies at scale, featuring for example, in all of the International Energy Agency's carbon abatement scenarios. Active involvement from oil companies, with their knowledge of sub-surface geology and engineering, is important for the industry to develop, particularly with regard to transporting and storing gas.

For CCS projects to increase around the world, a number of challenges have to be overcome, including cost. A power plant with CCS is currently more expensive than one without the technology, and therefore some form of policy support is required if businesses are to have sufficient incentive to invest in CCS. Other challenges include practical engineering issues and regulatory, commercial, social and policy matters.

BP Australia continues to contribute to the policy debate around the most appropriate legislative and policy frameworks to support CCS, and is a founding member of the global carbon capture and storage institute (GCCSI).

## Safe and responsible energy

BP recognizes that providing energy safely and reliably is essential for our future business success. Our goal remains to operate with 'no accidents, no harm to people, and no damage to the environment'. We are working with renewed effort to achieve this aim.

We are determined to learn the lessons for the future which arise from the Deepwater Horizon accident. We will also ensure that all the lessons learned are shared fully throughout the Australian industry.

### In this section:

- Operating management system
- Health and safety
- Product safety
- Environment



## Operating management system

BP's operating management system is the cornerstone of the group's approach to achieving safe, reliable and responsible operations at every BP site.

The OMS provides a single framework for all BP operations to follow. It covers all areas from process safety to personal health, to environmental performance.

The OMS is the foundation for a safe, effective, and high-performing BP. It helps ensure that a rigorous approach to safe operations is taken. Its principles and processes are designed to simplify the organization, improve productivity, enable consistent execution and focus on BP performance.



### The dimensions of OMS

The system's elements of operating describe eight dimensions of how people, processes, plant and performance operate within BP. Our group essentials and group defined practices describe requirements for risk mitigation, legal and regulatory compliance, conformance with BP requirements, and rigorous application of basic operating knowledge. Together they help BP entities deliver safe, responsible and reliable operating activities, and create a platform for sustainable improvement.

### OMS implementation in Australia

BP in Australia is now operating under the OMS framework, having begun to implement the new system in April 2009. We have completed all actions arising from our initial gap assessment and are working towards the final alignment of all local processes.



## Health and safety

BP emphasizes the need for safe operations – focusing on people, plant and processes.

### Process safety

In BP Australia we have maintained a strong focus on process safety through the implementation of the OMS.

To track our progress in process safety management, we measure lagging indicators which record events that have already occurred, such as oil spills, and leading indicators that focus on the strength of our controls to prevent undesired incidents, such as inspections and tests of safety-critical equipment.

We have introduced several metrics designed to enhance our monitoring of process safety performance. For example, in 2008, BP globally implemented a process safety incident index which uses weighted severity scores to record and assess process safety events, and a measure to record any loss of hydrocarbon from primary containment.

BP's global safety and operations audit team assessed BP Refinery Kwinana's systems against BP's relevant standards and requirements in May 2010, and Bulwer refinery's systems in August 2010. The results from both indicate an improvement in systems compared with previous assessments.

### Personal safety

Our day away from work case frequency has improved, but over the past year we have seen an increase in the number of recordable injuries, predominately due to an increase in recordable injuries at our Bulwer Island refinery.

We undertook a safety management review at the refinery and developed an eight point plan and appointed a cultural change manager, both of which are designed to improve and reinforce positive safety behaviours.

We suffered no fatalities at our operations in 2009-10, for the fifth consecutive year.

Across our retail network we have addressed one of the highest risks to the personal safety of our staff – the possibility of being hit by a vehicle while working on the forecourt. By progressively installing automatic gauges to our underground fuel storage tanks, we are eliminating the need for staff to carry out manual tank-dips on forecourts.

Work on improving the security of our retail operations has continued. We have seen a reduction of more than 75% in the number of armed hold-ups across our network since 2005.

We have also worked with the Australian Association of Convenience Stores (AACS) to set up an industry forum to work collaboratively on security initiatives for the industry.

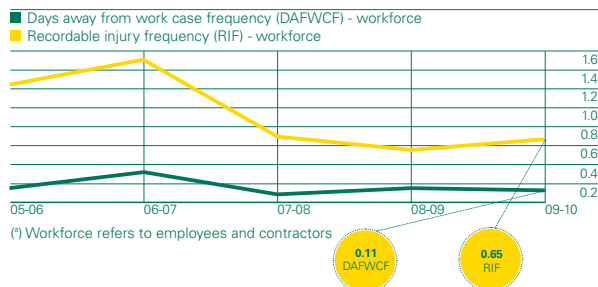
Our continued focus on training and competency has included providing online health and safety awareness training, and introducing a new retail store manager training programme.

### Safety and operational performance at a glance

Here are some highlights of our activities and performance.

#### Personal safety - recordable injury and days away from work case frequency\*

(per 200,000 hours worked)



### Retail safety

# 75%

reduction in the number of armed hold-ups across our convenience store network since 2005.

### Operating management system

# 100%

of actions completed following our initial gap assessment.





### Working with others

BP seeks to share learning and influence the HSE culture of the contractors who work with us.

BP assesses the safety culture of its contractors through an accredited contractor programme, designed to provide assurance that required standards are being met. The programme involves annual auditing. Audits have indicated a marked improvement in contractors' management systems in recent years.

In our logistics business we made a particular effort to talk to our tanker drivers about safety concerns. As a result, we are working on a number of improvements to enhance the personal safety of drivers during fuel deliveries and have created a carrier safety forum which meets quarterly to discuss the safety of our transport activities.

We are also pleased to report a new initiative at BP Refinery Kwinana to promote shared learnings with contractors and improve health and safety performance. The Kwinana refinery safety alliance is a group of BP and contractor personnel that meets quarterly and works collaboratively to improve the health and safety of all workers at the refinery.

### Emergency response

Safe and reliable operations are integral to BP's success. We seek to ensure our sites are prepared to deal with crises and emergencies.

In line with the BP group crisis management framework, we have regional, country and business support plans that set out how BP operations and facilities will respond to an actual or potential emergency incident.

In 2009-10, emergency response training continued with more than 60 people completing incident management and on-scene commander training. We are also sending a number of refinery staff overseas for emergency response training.

We continued our road tanker emergency response training. In this, we work with our trucking contractors, the emergency services and environmental regulators in a practical exercise to remove fuel safely from an overturned road tanker.



BP Australia maintains its oil spill response capability through the Australian Marine Oil Spill Centre (AMOSC) of which we are a participating member. Equipment is held at our refineries in the event of a local spill, which fits within Australia's National Plan to Combat Pollution of the Sea by Oil and other Noxious and Hazardous Substances.

An obvious risk at a refinery is that of fire or explosion. To improve our emergency response capability at the Bulwer Island refinery some \$10 million will be spent upgrading fire fighting facilities at the product wharf.

The fire fighting capability at both refineries is also being enhanced with new fire trucks on order, as well as additional volumes of fire fighting foam at the Bulwer Island refinery.



## BP's health programme

As part of the employee offer in 2010, the occupational health team continues to offer a wide range of quality health-related programmes.

These programmes range from medical health screenings (such as skin cancer screening, diabetes screening, bowel cancer screening, audio and visual screening) and flu vaccinations, exercise and fitness offers (ranging from lunchtime exercise classes, personal exercise, to sports events such as the National BRW Corporate Triathlon), mental health initiatives (a resilience programme, and mental health first aid programme), charity events and exercise challenges (the 10,000 step pedometer challenge, and the 'Run-A-Muck' exercise challenge).

The Run-A-Muck global exercise challenge is one of our most successful programmes. Run-A-Muck is rolled out to BP sites worldwide each year. It is a team-based challenge open to BP employees, contractors, family and friends.

Its aim is to encourage participants to look for opportunities to introduce, maintain or increase the amount of physical activity they undertake on a day-to-day basis.

Teams of 10 employees join forces and look for ways to include physical activity in their daily routine. This exercise is then converted into kilometres transporting the team around a map of the world.

## Product safety

BP's position is clear: we aim to produce only quality products, that can be used safely and are accompanied by the necessary information.

The product stewardship framework used across BP's international operations was developed by BP Australia and forms an integral part of our licence to operate. It represents the need to manage products throughout their life cycle: meeting legal requirements, performance expectations and customer needs and communicating their potential HSE impacts.

Delivering safe and reliable products for our customers is founded on a comprehensive programme of internal analysis and assurance along the entire supply chain including import facilities, storage and distribution terminals right through to our retail service stations. This programme is externally certified to the international standard ISO 9001:2008 which gives requirements for quality management systems. All these efforts enable us to provide assurance to strategic accounts and day-to-day customers about the quality of the products we deliver.

There were no major fuel quality incidents in the reporting period. This allowed us to focus our time on further improving our product stewardship framework. In August 2009, we carried out a product quality risk review designed to identify opportunities to improve our product safety systems.

BP is committed to ensuring its fuel products meet all regulated standards and is fit-for-purpose for end consumers. At Bulwer Island refinery, we hold a variation to the *Fuel Quality Standards Act 2000*, allowing us to produce diesel with lower density than the legislated specification. Despite the lower density, testing has shown that our product has comparable fuel consumption and power to conventional diesel as well as reduced smoke, particulate, NO<sub>x</sub> and CO<sub>2</sub> emissions. This is the result of our hydrocracking process, which is unique to the Bulwer Island refinery.

### Opal®: our low-aromatic fuel

BP Australia continues to collaborate with government and communities to help reduce the harmful impacts of petrol sniffing with Opal®, our low-aromatic fuel.

Effective product stewardship encompasses issues related to product safety. Since the 1990s, we have worked with the Australian government to tackle the problem of petrol sniffing, which has been a serious issue in many remote indigenous communities. Opal®, a fuel that is low in aromatics to discourage petrol sniffing was developed by BP Australia and officially launched into the market in February 2005. We continue to work with the government and local communities to expand its availability as part of the Australian government's efforts to tackle substance abuse.

Opal® fuel is produced at BP Refinery Kwinana in Western Australia and shipped to our Largs North terminal in Adelaide. From there, other oil companies and distributors collect Opal® for delivery to individual service stations throughout Australia. While BP is the only company that produces Opal® fuel, we make it available to other fuel suppliers to maximize its distribution.

A senate inquiry released in March 2009 states "the role of the corporate sector, in particular BP, with the development and distribution of Opal® fuel, and other fuel companies in Central Australia has been central to the success of the (petrol sniffing) strategy. Commercial interests have not stood in the way of rolling out the [low-aromatic] fuel".

At its introduction, Opal® was supplied to 37 remote communities in Western Australia, Northern Territory and South Australia. Opal® fuel supply has now expanded to Queensland and the number of communities registered to receive Opal® fuel is 129 as of April 2010.



A 27-fold increase in Opal® production volumes and ongoing product evolution testing to improve product performance (while maintaining Opal® fuel's low aromatic content) is proof that we remain committed to supporting the government's petrol sniffing strategy while encouraging wider adoption of, and confidence in our product.

While uniform legislation and mandated Opal® supply are not currently supported, the Australian government's 2010 Budget provides \$38.5 million over four years to enhance the current voluntary roll-out of Opal® fuel.

BP remains committed to tackling the problem of petrol-sniffing. We continue to work with the Department of Health and Ageing (DOHA), communities, motoring organizations and small business to develop wider adoption and confidence in Opal®.

Beyond Australia, we exported Opal® fuel in late 2009 to a known petrol-sniffing region in Manitoba, Canada in an initiative carried out in partnership with the Canadian government.



## Environment

BP looks to minimize its environmental impact throughout the life cycle of its activities, seeking continuous improvement in environmental performance.

Our refineries at Bulwer Island and Kwinana operate independently certified ISO 14001 – Environmental Management Systems. We are incorporating these systems into our group-wide operating management system that helps us set priorities for operations based on assessment of the key risks, including those related to environmental and social performance. We believe this integration will promote greater efficiency and consistency across the business.

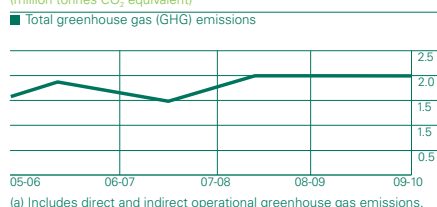
We carry out environmental audits across our fuel terminals, depots and bitumen plants every two years, and have assessed a number of aviation fuel storage locations and lubricant manufacturing sites.

To address impacts from our workplace activities, our green office programme, established in 1998, seeks to cut paper consumption, minimize water and energy use, and reduce waste to landfill through office recycling and composting. The programme includes a green team of sustainability champions that meets regularly at our corporate office in Melbourne to help drive environmental improvements. BP has also been a member of 'ECO-Buy' since July 2008, a not-for-profit company that supports organizations in purchasing environmentally-preferable products. To help develop a sustainable purchasing framework, we recently incorporated sustainability questions into a tendering process, so that environment and sustainability credentials were considered in awarding the contract.

### Greenhouse gas emissions and energy efficiency

As well as producing energy, the oil and gas industry is a major consumer of energy. Energy is required to extract hydrocarbons, process, transform and transport them to final users. Refining accounted for slightly more than one-third of all the energy consumed by BP globally in 2009, and the company's two refineries represent the principal source of BP's operated greenhouse gas (GHG) emissions in Australia.

#### Total greenhouse gas emissions<sup>a</sup> (million tonnes CO<sub>2</sub> equivalent)



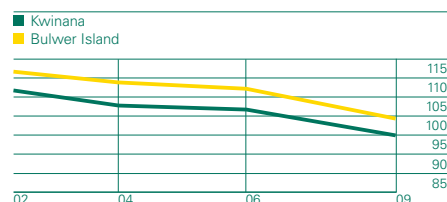
Operational GHG emissions for BP Australia in 2009-10 remained steady at 2.02MtCO<sub>2</sub>e. We previously reported an increase in emissions in 2008-09 which coincided with new reporting requirements under the National Greenhouse and Energy Reporting Act (NGERS).

BP continues to be committed to delivering continuous business improvement and GHG reductions through energy efficiency and is a full participant in the Australian government's Energy Efficiency Opportunities programme. This encourages large energy-using businesses to improve their energy efficiency by requiring them to identify, evaluate, and report publicly on cost effective energy saving opportunities.

Our refineries have steadily improved their energy efficiency since 2002, achieving a 12% improvement at Kwinana and an 11% improvement at Bulwer Island. This improvement is measured against the Solomon Associates 'energy intensity index' (EII™), an industry benchmark which reflects energy consumption, the relative complexity of making a range of products and the overall utilization of refinery capacity. These reductions in energy consumption have resulted from upgrades to process units (such as those which have improved heat recovery) and efforts to better understand where energy is used and lost within the plant.

### Refinery energy efficiency performance

(Energy intensity index - EII™)



BP Refinery Kwinana has a 10 year energy plan and has recently developed an energy efficiency monitoring tool called the 'global energy monitoring' system which calculates energy losses across the refinery and flags areas for improvement. Bulwer Island also monitors its energy performance on a daily basis, using a benchmarking tool that rates it against world best practice standards.

With each new infrastructure and process upgrade we seek opportunities to improve energy efficiency. For example, the upcoming infrastructure upgrade to produce low-sulphur diesel at BP Refinery Kwinana will result in considerably less energy use due to lower heating requirements.

We share learning on our energy efficiency programmes as part of a global network of BP refineries dedicated to sharing information on opportunities for continuous improvement in energy efficiency.

As part of the upgrade of BP's Newcastle Terminal in December 2009, we installed a geothermal direct exchange heat pump system which provides the building with heating and cooling while using less energy than a conventional reverse cycle air conditioner. In our retail business we developed a new design concept in 2009 for future large BP-branded retail sites. This incorporated a sustainable design review, with the goal of identifying opportunities to save energy through site design.

Across our network of convenience stores we have carried out a range of energy efficiency assessments and trials. In 2010, we are rolling out an energy efficiency upgrade programme across Victoria and in a number of Western Australian locations. Its aim is to reduce the energy use and associated greenhouse gas emissions of our refrigeration cabinets and external lights. We continue to investigate and pilot new technology, and have installed LED lights (light emitting diodes) in a number of sites in Victoria and South Australia.

### Water and wastewater management

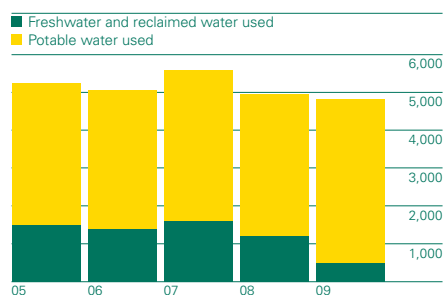
Water consumption and wastewater treatment are critical components of environmental management across our operations.

We recognize the continuing importance of using water prudently. We are pleased to report a decrease of 3% in total water consumption and a 60% reduction in potable water use across our operations in 2009. This is largely due to our Kwinana refinery's water minimization programme which included a project that has enabled the majority of the potable water used in the refining process to be substituted by tertiary treated wastewater from the Kwinana Water Recycling Plant (KWRP).

Our Bulwer Island refinery still uses reclaimed water rather than potable water for process requirements and participates in Brisbane City Council's Business Water Efficiency Program.

### Total water used

(million litres)



We manage our discharges to sewers and wastewater treatment plant operations to minimize impact on the receiving waters.

One of our key environmental goals at Kwinana is to protect the nearby Cockburn Sound and other local water resources. In August 2009, we re-routed treated wastewater further offshore where the level of flushing is higher than in Cockburn Sound.

Across our retail site network and fuel storage terminals we have risk-based programmes to install and upgrade drainage and wastewater management systems. In the past year, we installed or upgraded wastewater treatment systems at four retail service stations, and at two terminal facilities. We monitor water use in our carwash facilities and keep a close watch on water restrictions that may affect our operations.

### Groundwater management

We have been taking action to remediate groundwater contamination across a number of sites, including the Kwinana refinery where we are tackling the legacy of past releases of hydrocarbons into the water and soil beneath the refinery.

BP continues to take steps to recover the accumulated hydrocarbons. We are pleased to see our many years of remediation efforts taking effect, as evidenced by the diminishing capacity to recover the subsurface oil beneath the Kwinana refinery. We are now focusing on new measures to increase the use of recovery equipment in the most suitable locations.

For our retail service stations, we continued to implement our underground tank management programme, designed to ensure the physical integrity of underground tanks and protect the quality of nearby soil and groundwater. The programme, initiated in 2006, involves installing new double-walled tanks with full tank monitoring capability at nominated sites across our retail network.

Further to this we have fitted automatic tank gauging (ATG) equipment to the majority of our retail sites. This allows for fuel levels in the underground tank to be constantly monitored for the early detection of leaks. We also undertake groundwater monitoring across many of our retail assets.

## Kwinana Water Recycling Plant (KWRP)

On 3 November 2009, the Minister for Water, Hon. Dr Graham Jacobs officially launched the BP Kwinana refinery's \$13 million tie-in to the Kwinana Water Recycling Plant.

The tie-in is significant because, for the first time in the BP Kwinana refinery's 54 year history, there will be no process industrial waste water discharged from the refinery into Cockburn Sound. Instead, the treated waste water will be piped through the Water Corporation's waste water infrastructure to the Sepia Depression, 4.1 km offshore from Point Peron.

BP's switch to reclaimed water has freed up nearly 2 gigalitres – or 800 Olympic size swimming pools – of potable water each year, for public use. A future proposal to extend the use of KWRP water for firefighting and other industrial purposes could see this increase by another 1.3 megalitres per day.



### Above

Thys Heyns (previous BP Refinery Kwinana Managing Director), The Hon. Graham Jacobs (Minister for Water) and Sue Murphy (CEO, Water Corporation) opening the Kwinana Water Recycling Plant in November 2009.



### Waste management

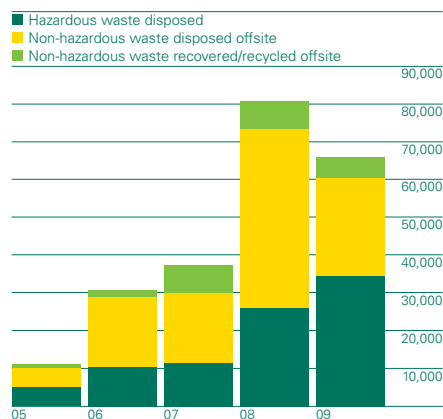
Our activities generate a variety of solid and liquid wastes, including oily sludges, waste chemicals, spent catalysts and construction debris, including soil.

While we saw a decrease in the amount of non-hazardous waste, the amount of hazardous waste disposed increased slightly from 2008 to 2009. This was principally due to increased wastewater from remediation activities on our retail sites.

We have carried out a range of waste minimization initiatives at our Bulwer Island refinery, including remediating soil on-site, and introducing office recycling. We are currently recycling around 35% of office wastes by weight.

### Hazardous and non-hazardous waste

(tonnes)



We have also placed a greater focus on waste management at BP Refinery Kwinana with a dedicated environmental engineer assigned to identify opportunities for improving waste disposal and recycling options.

For our fuel storage terminals we have established a new waste management contract with a waste service provider that is designed to help us know that we are complying with waste disposal and tracking requirements. We have continued to improve our waste recycling rates across our retail network following our previous agreement of a national waste contract with a waste service provider. Since 2008, we have increased our cardboard recycling rate from 40% to 46%.

We are also taking steps to help us ensure we consider supply chain impacts from the products we sell. BP Australia is a signatory to the National Packaging Covenant, first signing up in 2002. The covenant is a voluntary initiative involving government and industry to minimize the environmental impacts of consumer packaging in Australia.

We have developed an action plan under the covenant which includes a range of measures for reducing the impacts of packaging from BP's operations.



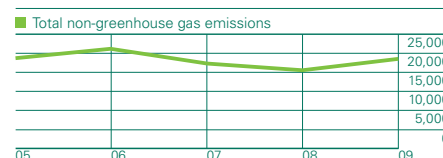
In 2010, we reviewed the impact of our decision to phase-out plastic bags across all retail stores in 2008 and 2009. Plastic bags have been replaced with options for customers to purchase a reusable polypropylene or paper bag and as a result we have reduced our use of plastic bags by around 2.8 million since April 2009.

### Air Quality

BP's goal in managing non-greenhouse gas air emissions, such as nitrogen oxides, is to prevent and reduce air emissions in order to mitigate potential impacts on human health and harm to the environment.

### Total non-greenhouse gas emissions to air

(tonnes)



In 2009, we reported a 6% increase in non-greenhouse gas air emissions. The increase reflected major turnarounds at both refineries in the previous year which had led to lower emissions due to a number of key processing units being shut down.

To address fugitive emissions from our terminals, we have a programme to install tank-blankets on targeted bulk storage tanks. We are also implementing a programme designed to comply with the NSW government's requirements to introduce vapour recovery equipment at retail service station pumps in designated zones within the state.

### Remediation management

BP's remediation specialists seek to identify, manage and reduce environmental liabilities, including those likely to arise in future.

Our remediation management function provides expertise and resources across the full asset life cycle aimed at preventing, mitigating and managing our onshore environmental liabilities. As there is currently no decommissioning activity being undertaken by BP in Australia, the focus has been on liability prevention and liability management. We continue to remediate and monitor contaminated properties owned or managed by BP Australia in consultation with regulatory authorities, agencies, and stakeholders.

The provision for environmental liabilities in 2009 totalled A\$33,401,000. This figure has increased considerably since 2008, in part due to a greater regulatory focus in a number of jurisdictions in the past year.



### Image

Groundwater monitoring at BP Refinery Kwinana.

## People energy

People are at the heart of our progress in BP. Our performance and our safety record depend on their skill and commitment. We therefore organize, manage and reward employees in ways designed to achieve the best possible performance, now and in the long term.

We aim to get the right people into the right roles. We carry out focused recruitment, and align awards closely with performance. We invest in training and development. We are also taking practical steps to ensure BP Australia is a diverse and inclusive organization where everyone can achieve their potential.

### In this section:

- BP Australia's people plan
- Attracting and retaining talented people
- Creating an engaging and inclusive environment
- Learning and development
- Supporting our staff



## BP Australia's people plan

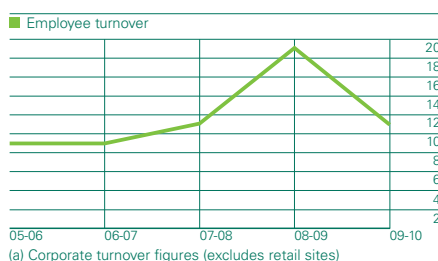
BP's sustainability as a company depends on the talents and commitment of its people. Its aim is to have the right people in the right roles, working in a stimulating, diverse and inclusive environment.

BP maintains its commitment to retain, develop and attract talented individuals who feel engaged and energized to deliver our business strategy. We take a long-term approach to maintaining continuity in our skills and capabilities. We are striving to develop a strong pipeline of talented people within the business for the future.

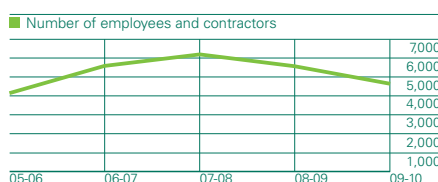
We have developed a strategy which we term our 'people priorities'. It focuses on the following goals:

- Strengthening leadership capability and driving a high-performance culture.
- Developing and maintaining a strong pipeline of talented employees for the future.
- Providing a compelling 'employment offer' to all employees.
- Valuing diversity and inclusion in our workforce.
- Rewarding our employees competitively.
- Benefitting from changes in the industrial relations landscape to generate productivity gains in the business.
- Continuously improving our human resource operations.

### Employee turnover (%)<sup>a</sup>



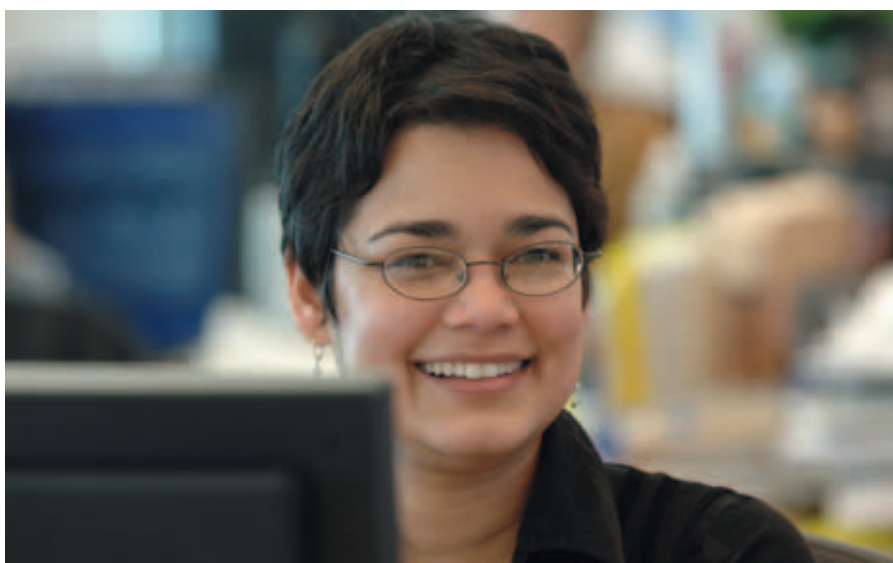
### Number of employees and contractors



### Employee numbers

BP employs approximately 4,700 people in Australia, of whom approximately 2,000 work in our retail business.

Our total headcount has decreased since 2006-07 as a result of some business restructuring. Overall, the corporate staff turnover for the reporting period 2009-10 has returned to 11% after peaking in 2008 following organizational restructuring and closure of the solar manufacturing plant. Throughout this time, however, the underlying voluntary turnover rate has remained steady at 6-7%.





## Attracting and retaining talented people

Given the increasing competition to recruit and retain a workforce with the talent and skills we need, we are taking steps to demonstrate the attractions of a BP career to potential employees at all levels.

In 2009, we began a five-year programme to understand and define our employee experience with a view to designing an improved employee offer.

In 2009-10, we focused on improving our employee offer in the following areas:

- Culture and leadership – we continued our focus on strong visible leadership, driving a high-performance culture and increasing our leadership development. A number of new leadership programmes were introduced including 'Leading the BP Way', 'Leadership Curriculum' and 'Toolkit for Leaders'.
- Work/life balance and flexibility – we reviewed our current approach to work/life balance and flexibility and further developed our wellbeing offer by offering mental health and relationship seminars.
- Reward – we focused on improving pay parity and conducted a superannuation review which aims to deliver additional benefit to our employees. We continued to develop BP's reward and benefits in line with external benchmarking by providing greater flexibility around maternity leave and introducing provisions for volunteer leave.
- Opportunities and development – we updated our learning and development programme which now includes additional mentoring opportunities and development opportunities. We focused on strengthening succession plans and developed our career advancement offer to include high potential talent programmes and more opportunity for individuals to move roles.
- Role and recognition – we explored better ways to recognize individual performance contributions.

We continue to work to improve industrial relations following the work stoppage by BP maintenance workers at our Bulwer Island refinery on 10 December 2009. The stoppage occurred during the renegotiation of a local enterprise bargaining agreement (EBA). Regrettably one worker was injured following an incident on the public road outside the refinery. The EBA was subsequently successfully negotiated.

## Women in leadership



**Rebecca McGrath**  
Chief Financial Officer

Rebecca has held business and functional management roles with BP in Australasia, Europe and the United Kingdom. In December 2007 Rebecca was appointed to the role of chief financial officer – Australasia. Rebecca is also a board member of Big Sky Credit Union, as well as a member of Chief Executive Women Australia, and a graduate of the Australia Institute of Company Directors.

### **Q What is the one piece of advice you would offer other women in business?**

Back yourself and don't underestimate what you can achieve in your career. Many women tend to have too much self doubt about their own potential and don't identify key supporters who can help them set more challenging goals for themselves.

### **Q What one trait has helped you most in business?**

Being empathetic. Emotional intelligence is often under-rated as a key leadership attribute. I find connecting with people personally is one of the most rewarding and effective ways to help them be successful and perform beyond their own expectations.



**Chris Lokum**  
Director of Human Resources

Chris is the Director of Human Resources in Australia and New Zealand and has been with BP for 20 years. Chris holds degrees in management, economics and psychology, and has attended leadership programmes with Cornell University and the University of Michigan. Chris is also a member of the International HR Directors Forum.

### **Q Why did you join BP? What's kept you here?**

I was finishing university and needed a job. From the companies I interviewed with, BP sounded like it offered the best development and I planned to stay two, maybe three years. Twenty years later I am still here. I have stayed as long as I have because:

- One, I work with talented people who are good at what they do.
- Two, I believe I have made a positive difference, and
- Three, I am always learning something new.

### **Q If you had one piece of advice for those who want to become a leader, what would it be?**

Leaders have to do hard things and make difficult decisions at times. As a leader you have to have standards and make tough decisions that might be unpopular. You have to do the right thing even though the wrong thing may be easier. Having courage can be hard and it can feel lonely at times, but being courageous while respecting your colleagues and being true to yourself can be even harder.



## Creating an engaging and inclusive environment

BP is committed to creating a work environment where diversity and inclusion are valued and where everyone is treated fairly, with dignity and respect, and without discrimination.

Our diversity and inclusion stand is:

- Diverse organization – at all levels of the organization we will attract, retain and develop a talent pool which reflects the diversity of the countries where we do business and the communities where we are based.
- Inclusive culture – we will promote an inclusive culture of sensitivity and respect for difference within which everyone has the opportunity to flourish, make a difference and realize their potential.
- Meritocratic talent management – we will ensure equality of opportunity for all employees so that recruitment, career progression and reward are based on fair, transparent and meritocratic processes.

Employees are recruited, selected, developed and advanced on merit, irrespective of race, colour, religion, gender, age, national origin, sexual orientation, gender identity, marital status or disability. BP uses diverse selection panels, diverse candidate slates, and a competency-based selection methodology.

Current recruitment and selection policies and practices are well documented and available to all employees on the BP Australia intranet. BP Australia uses BP's global Talent Acquisition Solution (TAS) – a global system to manage all internal, external and facilitated moves.

We track the composition of our workforce, measuring the proportion of female staff within the business overall and within leadership positions. Thirty-seven percent of BP Australia's workforce is female. Twenty-five percent of senior executives are women – including the chief financial officer and the Bulwer Island refinery managing director. Fifteen percent of senior management are female. Male staff continue to have higher average salaries, although this year's pay review brought us closer to pay parity. Of our corporate workforce, four percent work part-time, of whom 94% are female.

BP's career development and progression strategies are founded on a merit-based approach. In the reporting period, 20% of employees promoted to local senior level management roles and 17% of employees promoted within senior level management roles were female – continuing BP's commitment to increase the representation of women and of people from diverse backgrounds in leadership and across various levels of the group.

This year we established the BP WIN (BP Women's Internal Network), a global group led by several of BP's senior women which aims to develop and retain talented women in BP. The network tries to help women overcome barriers in the workplace and encourages networking with other women across BP. Local groups were established in various BP locations in Australia and New Zealand.

### Learning and development

We use a variety of methods to help our people develop their capabilities throughout their careers.

We provide a wide range of skill-based development courses as well as specialized technical and HSSE (health, safety, security and environment) training. Skills development courses include leadership and personal development programmes, our sales and marketing academy, financial university programmes and competency-based learning initiatives provided through a national agreement with an accredited external training provider.

Together with the rest of the BP group, we provide structured development programmes for leaders that are designed to enhance their skills and drive continuous improvement in performance. Participants benefit from having access to a consistent set of leadership skills and from the networking opportunities the programme provides.

In Australia, we also run local career advancement programmes for individuals identified as 'high potential'. In 2009, 33% of the intake to this programme was female. In 2010, the female intake to this programme reached 60%.



---

### IChemE accreditation at the refineries

At BP Refinery Kwinana we are celebrating becoming the first company in Australia to have its in-house engineering training accredited by the Institution of Chemical Engineers' (IChemE) revised accreditation scheme.

Chemical engineers at BP's refineries in Kwinana, Western Australia and Bulwer Island in Queensland, now have an accredited training scheme to help them achieve chartered status with IChemE – a prestigious international body for chemical and process engineers. Being a chartered engineer means greater recognition of expertise both within and outside of BP.

Kwinana was the first refinery in the BP group to have a training programme accredited by IChemE, and BP is the first company in Australia to accomplish it. Soon after Kwinana's accreditation, our Bulwer refinery also gained accreditation.

BP Refinery Kwinana actively encourages chemical engineers such as process engineers, process safety engineers, process design engineers and process control engineers to achieve chartered status.

Jeff Mayne is BP Refinery Kwinana's south area process support superintendent and a fellow of IChemE. He is one of five mentors in the refinery. "During graduate recruitment interviews we found that many graduates were asking whether BP would help them achieve chartered status. So we know that having this scheme in place will increase the perceived value of working at the refinery and help us attract the top end of the talent pool," Jeff said. "Having a process that is externally assured is also an important aspect of OMS (Operating Management System)," he added.

## Supporting our staff

### BP recognizes the need to provide support for staff within and outside the work environment.

We run a wide range of initiatives to engage with our staff and help them achieve a healthy work/life balance. Initiatives include activities closely related to work, such as mentoring programmes, as well as social events and support activities outside the workplace. For example, we provide a health monitoring and screening programme, opportunities for fitness training for individuals at differing levels of fitness and interest, and wellness initiatives such as cancer screening, mental health and relationship wellbeing seminars.



### Work/life balance

To promote work/life balance, we provide options to employees including flexible working patterns, job sharing, part-time opportunities and working from home. We are currently reviewing our approach to accessing flexibility and work/life balance in Australia.

An example of action we have taken to meet the growing demand for more flexible working arrangements has been the expansion of our purchased leave policy ('46/52'). Through this, staff are able to take an additional six weeks of unpaid leave in a calendar year and receive reduced salary payments spread over the course of the 12 month work period. This allows staff to cover school holidays, for example, or take additional leave if required. There has been a 100% increase in employees taking up this offer in the past year. Seventy percent of participants are female.

In 2009, we introduced paid volunteer leave in Australia to provide our employees with the opportunity to have up to two days of their annual leave reimbursed if they partake in volunteering activities with charitable not-for-profit organizations.

---

## Women in engineering

Our asset management department has launched a project to balance the male/female ratio, especially in the engineering department at BP Australia. It was recognized that it has long been a male dominated culture and we were not attracting females, especially at a senior leadership level within the department. The mining boom in Australia has also driven up salaries for high performing employees and business performance was being affected.

The first step was to engage the asset management senior leadership team in the case for change. External contacts were also established to broaden the insights beyond BP experience. This included gaining insights from industry groups and other companies that have been successful in making a change and engaging in discussions with employment agencies on how to attract a diverse pool of candidates.

One of the outcomes was to change the recruitment strategy and job advertisements to include benefits of employment such as training, work flexibility, mentoring and potential for development. We had two roles advertised at the same time. One used the standard approach and resulted in no candidates being selected for interview. The alternative approach gave us a diverse pool of high calibre male and female candidates, from which we were able to fill both roles. Some of the flexible options that are now offered are part-time work, working from home, non-standard hours and team breakfasts instead of dinners for those with families.

From January to August 2010 the gender diversity in asset management has improved significantly with approximately one-quarter of junior professional staff now being female. While there is a lot of work still to be done, it highlights that if you take action you can make change happen.

## Local energy

BP seeks to make a positive difference by establishing genuine partnerships and creating mutual advantage.

As a business that invests in more than 80 countries worldwide, BP has an impact on many local communities and economies.

We strive to make a positive impact by running our operations responsibly and by investing in the community in ways that benefit us and local populations.

### In this section:

- Our approach to development and community
- Supporting education and community needs
- Building business skills





## Our approach to development and community

The key test for any community investment is that it should create a meaningful and sustainable impact. From our perspective that means taking action that addresses local needs, is aligned with BP's business and is undertaken in partnership with local organizations.

For example, we are interested in initiatives that enable local companies to reach the standards required to become suppliers to BP. Achieving this enables us to source high-quality, competitive goods and services from local vendors while also motivating local enterprises to improve their standards and skills. This not only creates business opportunities with BP, but with other companies as well.

This approach means we continually seek to find an overlap between BP's interests and those of communities. We aim to make our initiatives contribute to durable economic activity, rather than ending when BP leaves a location. We therefore work hard to develop our projects in partnership with local community-based organizations.

Our support falls into three broad categories:

- Supporting education and other community needs – deploying BP's skills and contacts as we invest.
- Building business skills – enabling the local economy to contribute more to BP's business by developing local supply chains and business capability.
- Sharing technical expertise with local governments – using our influence, reach and resources to support governments in their efforts to achieve sustainable development in an ethical and responsible way.

Consistent with the BP code of conduct, we are committed to respecting human rights (in line with our support for the Universal Declaration of Human Rights) in all our relations with local governments, communities, organizations, employees, contractors and suppliers.

### Supporting education and community needs

In many communities, we deploy our skills, resources and influence to invest in ways that are relevant to local interests. We identify possibilities for investment by talking to local people and organizations. We work closely with local authorities, community groups and others in delivering these initiatives.

Our two refineries in Australia each run an annual education grant programme that offers grants of up to \$2,500 to schools across Western Australia and Queensland. Grants support innovative projects that focus on energy, environment, science and technology or students at educational risk.

This year's applications showcased many projects of a high standard, resulting in strong competition to secure a grant. Of the 71 applications in Western Australia, 16 were successful and a further four schools received part assistance, to a combined value of about \$34,000. Across Queensland, we received 50 applications with nine grants awarded totalling more than \$20,000.

One of the successful projects was 'Kimberley boys create books!' led by science teacher Sara Bolland at Kununurra District High School. This project focuses on engaging year 9 indigenous students at educational risk and aims to improve their attendance, resilience, literacy and numeracy.

Using the BP education grant funding, the students participated in excursions to places of local interest, including the Mirima National Park, where they undertook large predator tracking with an indigenous ranger, and a trip to the local rodeo. The students then created short books, including pictures and information about these activities, which were written in Standard Australian English, Aboriginal English and the local language (Mirriuwung Gajerrong). The books were professionally printed then shared with the younger year groups and with the community library.

All applicants are congratulated for the drive and initiative shown in their projects, and teachers are commended for the extra commitment they are willing to make for the benefit of their students.

Bulwer Island refinery supports the 'The Smith Family' not-for-profit organization, which helps disadvantaged children and families create a better future through education. We participate in their 'Learning for Life' programme where volunteers from the refinery provide personal support and mentoring to local school children and offer access to programmes in areas such as literacy and technology.

The refinery also fund a Learning for Life worker who focuses on supporting disadvantaged students in local schools. In September 2009, we hosted The Smith Family Bulwer Trade Day which gave some of these students the chance to learn about career opportunities in various trades and options for training at TAFE (Technical and Further Education). The students were taken on a refinery tour and were able to spend time with our tradesmen at the plant.

Our Learning for Life worker says "it was a real eye opener [for the students] and really got them thinking about the different career paths that they could go down".

### Supporting communities

Our refineries inform local people of developments on site and respond to their concerns. We also run outreach programmes that support community development.

At our Bulwer Island refinery, we have joined with other businesses and the local community to expand the Pinkenba Heritage Trail which recognizes the history of the island and its importance to Brisbane. Part of the Brisbane City Council Neighbourhood Enhancement Programme, the first stage of the trail marks a number of important locations and events for the community in which we now operate.

Pinkenba, or “binkin-ba”, the place of turtles, was an important site for indigenous people due to the mangrove flats and river. By 1874, a community of 22 immigrant families made a formal application for a school in the area and by 1897 the rail link to Pinkenba was completed to serve the wharves, abattoirs, industries and residents of Pinkenba. It was this rail line that brought troops to the Pinkenba wharves to set sail to the Boer War in 1899 when Queensland was the first British colony to offer troops.

The school that had served the community for more than a hundred years has now closed and the Pinkenba railway station has long since gone. Our refinery appears on the history board only towards the end of the first hundred years – as both the destination for the pipeline from Roma and the location of the now Queensland heritage-listed Amoco time capsule. Both these important events in the history of Queensland are planned to form part of subsequent stages of the Pinkenba Heritage Trail.



The Pinkenba Heritage Trail helps us understand our place in the history of the area. But it also challenges us to consider how we might be remembered and the legacy we leave.

2010 saw the second successful implementation of our ‘Vouchers for Volunteers’ programme. This national campaign offers volunteers the opportunity to apply for free fuel to help them with their volunteering activities.

Fuel is one of the major costs associated with volunteering. Providing free fuel through the programme enables BP to give tangible recognition to thousands of Australian volunteers who dedicate their time to help others.

We received more than 10,000 applications and were proud to provide \$250,000 worth of BP fuel to volunteers from a broad range of registered charity groups.

### Medina Primary attendance programme

In 2009, Medina Primary School initiated an attendance programme to try to halt the declining attendance rate of students. Medina’s performance in state and national literacy and numeracy testing had been adversely affected by these interruptions. Through sponsorship of the programme, BP was able to appoint a school-based Attendance and Liaison Officer to work with families of ‘at risk’ students and support them in getting their child to school, eating breakfast and attending school on a regular basis. Valerie ‘Maude’ Miller started as the Attendance and Liaison Officer in semester 2 in 2009 and from that point on the programme has been a resounding success.

With improved attendance rates in 2009, we look forward to even greater results in 2010.



### Building business skills

Through BP's participation in the NWSV, we have supported the launch of a new native-plant nursery in the local community of Roebourne. Managed by the Mingullatharndo community, the Pilbara Indigenous Nursery can produce up to 750,000 seedlings each year, and aims to create long-term employment opportunities for local Aboriginal people.

Nursery manager Beth Smith says the new business has opened doors for the small indigenous community. "It's been exciting that the whole community has been involved. In the past couple of weeks especially, we've had a lot of young people who have been in the nursery and want to learn – young people who really hadn't been doing anything much before. For me, that's been really exciting to see."

### Supporting Indigenous Australians

In 2006, the proportion of indigenous Australians working in their own business was one-quarter that of non-indigenous Australian business. This disparity led BP Australia to support regional and community-based projects that contribute towards sustainable development, without creating dependency.

BP Australia respects the diversity of indigenous people, acknowledges the unique and important interests that they have in the land, waters and environment and respects their history, culture and traditional ways. As a joint BP/Rio Tinto Australia initiative, the Indigenous Business Development Programme (IBDP) was launched in 2009.

The IBDP provides the opportunity for local Aboriginal people working in indigenous-owned business enterprises to build on their skills and knowledge to effectively and efficiently manage their operations.

Unlike generic vocational business skills training, this programme focuses on the developmental needs of each individual and their business. By pairing participants with mentors within BP Australia and focusing on specific business capabilities, their capacity to meet the pre-qualification requirements of Rio Tinto Australia and other organizations is enhanced.

In late 2009, two Indigenous business people spent two weeks with various departments at BP's head office in Melbourne. During this period, they learned about critical elements in running their businesses successfully.

Darrin Savo, who runs an earth moving business in Weipa, found the programme to be highly valuable. He has since been successful in winning a tender for business. "If you adopt the right attitude, you will find value in most things you do. The programme exposed me to information that any small business needs, especially if looking to win business with big companies," Darrin said.





---

## Project New Dawn

Homeless people can find themselves caught in a double bind or 'Catch-22' situation. To find a home they need a job, and to find a job they need a home. One BP employee decided to find a way to break the cycle.

He had gained first-hand experience of the problem through a mentoring scheme run by BP which was designed to provide long-term unemployed people with a mentor and role model. The scheme was supported by The Salvation Army. While this scheme had some success, it was not designed for homeless people.

In 2006, he explored whether it would be possible to provide homeless men and women with jobs. While BP was supportive, The Salvation Army's advice was that a job alone wasn't enough. The Salvation Army's experience showed that without a safe place to call home, commitment to a working routine and a return to 'normal life' was impossible. It was a venture sure to fail.

Over the next two years, he worked with senior BP leaders and began to build a partnership involving businesses and the voluntary sector. The goal was to create an enterprise which could offer both jobs and accommodation to the homeless. The model also had to be sustainable over the medium to long term and replicable in other locations.

Project New Dawn's operation model was subsequently developed, the core partners being The Salvation Army (accommodation management and personal coaching), Radio Rentals (white goods and furniture) and BP (rental guarantee, training and employment opportunities). Due to the different geographic locations considered, access to housing was to be dealt with on a case-by-case basis. However, in the early stages, Project New Dawn received tremendous support from Ian Reid Real Estate and GA Thomsons Real Estate.

Participants selected for the project would receive 12-18 months of employment and housing. With stable source of income, participants would pay their own rent and utilities which would give them a rental history acceptable to other landlords when they graduate.

The first house went live in 2008 in Melbourne and there are now six houses across Australia; two in Melbourne and one each in Newcastle, Adelaide, Perth and Brisbane. Since 2008, 26 people have been recruited nationally and roughly half of those selected have stayed on or graduated from the programme. The project aims to have 30-40 properties Australia wide, giving 60-80 homeless men and women the opportunity to get off the street and into regular employment.



## Independent assurance statement

This report has been substantiated by Ernst & Young, the BP group auditors. The primary purpose of the report substantiation process is to test that the assertions, claims and data set out in the text regarding BP's sustainability performance for the year ended 30 June 2010 can be supported by evidence. This process is intended to give assurance about the report contents from an independent third party. Ernst & Young's scope of work and their conclusions are provided below.

### Independent assurance statement to BP management

*BP in Australia Sustainability Report 2009-10* (the Report) (comprising of a Full Report available in print and on-line and a Summary Report located on-line at [www.bp.com.au](http://www.bp.com.au)) has been prepared by the management of BP Australia, who are responsible for the collection and presentation of information within it. Our responsibility, in accordance with BP management's instructions is to carry out a limited assurance engagement on the Report as outlined below, in order to provide conclusions on the claims, data and coverage of issues within it.

Our responsibility in performing our assurance activities is to the management of BP Australia only and in accordance with the terms of reference agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Report is entirely at its own risk.

### What we did to form our conclusions

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' ISAE3000<sup>1</sup>

The Report has been evaluated against the following criteria:

- Whether the Report covers the key sustainability issues relevant to BP in Australia in 2009-10 which were raised in the media, BP Australia's own review of material sustainability issues, and selected internal documentation.
- Whether sustainability claims made in the Report are consistent with the explanation and evidence provided by relevant BP managers.
- Whether the sustainability data presented in the Report are consistent with the relevant business unit level data records.

In order to form our conclusions we undertook the steps outlined below.

1. Reviewed a selection of external media reports and selected internal documents relating to the sustainability performance of BP in Australia in 2009-10, including environmental monitoring reports, internal policies and communications, outputs from safety/risk management audits, press releases, BP's public reports and submissions to government.
2. Reviewed the outcome of BP Australia's own processes for determining the key issues to be included in the Report.
3. Reviewed information or explanation about the Report's sustainability performance data and statements. Whilst we reviewed documentation to support the sustainability data contained within the Report, we did not test the data processes for gathering, collating and reporting data at country or site level.

### Level of assurance

Our evidence gathering procedures have been designed to obtain a limited level of assurance on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

### Our conclusions

On the basis of our review and in accordance with the terms of reference for our work we provide the following conclusions on the Report. Our conclusions should be read in conjunction with the above section on 'What we did to form our conclusions'.

1. Does the Report cover the key issues?

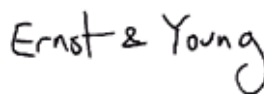
We are not aware of any key sustainability issues relevant to BP Australia which were raised in the media or the outcome of BP Australia's own materiality process that have been excluded from the Report.

2. Are the data and claims regarding BP Australia's sustainability performance contained within the Report supported by evidence or explanation?

We are not aware of any misstatements in the assertions and data presented by BP management within the Report regarding BP Australia's sustainability performance.

### Our independence

In conducting our assurance engagement we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.



Ernst & Young  
19 November 2010

<sup>1</sup> International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000)

## Our approach to sustainability reporting

BP Australia's sustainability reporting is provided primarily through this report and in a concise online summary available on the BP Australia web-site [www.bp.com.au](http://www.bp.com.au). It is aimed at all readers with an interest in BP's social, environmental and safety performance.

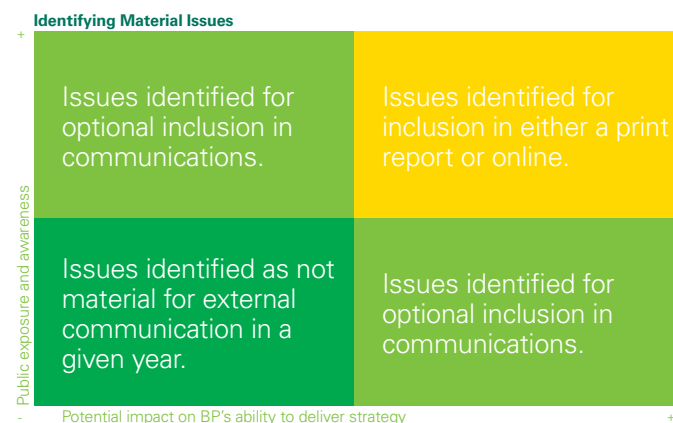
Our sustainability reporting incorporates information on the performance and activities of all operations under BP's control across the country. We seek to ensure the report covers the key sustainability issues and presents a balanced and reasonable view of our performance, by using a formal process to determine which issues are of most significance to internal and external parties. The report is also independently verified.

### Issues covered

BP Australia works to make its sustainability reporting current, relevant and reliable for its audiences.

BP Australia's approach to materiality is a key driver in the way we identify issues for inclusion in our sustainability report. Our process is aligned with the process used for reporting at BP group level.

By weighing BP Australia's internal risk approach with an assessment of the key external BP-related issues, we generate materiality matrices that stand up to internal scrutiny and discussion, as well as provide the basis for selecting content for our sustainability report.



The materiality matrix shows how issues that have attracted a high level of public exposure and awareness and those that impact our ability to deliver our strategy are considered important for inclusion in the printed or the online report. Other issues may be selected for optional communications or are considered not material for disclosure.

### Scope

This report covers the 12 month period from 1 July 2009 to 30 June 2010 unless otherwise stated.

The report includes quantitative and qualitative information for all activities where BP Australia is the operator. For non-operated activities (where we have an equity share or a commercial interest) we report qualitative information only where a material issue has been identified.

### Accuracy

We aim to ensure that the information we publish is accurate, complete and material and therefore contributes to building trust and credibility with key stakeholders. To achieve this, we have an established internal process for verifying our non-financial management information. Additionally, we engage professional auditors, who combine the strengths of financial auditing experience with technical competency in environmental and social standards.

## Further information

### Glossary

#### AACS

Australian Association of Convenience Stores

#### ACA

Annual Compliance Arrangement

#### ACCC

Australian Competition and Consumer Commission

#### ACTS

Accredited Company Training Scheme

#### AMOSC

Australian Marine Oil Spill Centre

#### APPEA

Australian Petroleum Production and Exploration Association

#### ATG

Automatic tank gauging equipment

#### ATO

Australian Taxation Office

#### BP WIN

BP Women's Internal Network

#### BOP

Blow out preventer

#### CCS

Carbon capture and storage

#### CPRS

Carbon Pollution Reduction Scheme

#### DOHA

Department of Health and Ageing

#### EBA

Enterprise Bargaining Agreement

#### ICChemE

Institution of Chemical Engineers

#### FPSO

Floating Production, Storage and Offloading vessel

#### GCCSI

Global Carbon Capture and Storage Institute

#### GCE

Group Chief Executive

#### GHG

Greenhouse gas

#### GST

Goods and Services Tax

#### HR

Human Resources

#### HSE

Health, Safety and the Environment

#### IBDP

Indigenous Business Development Programme

#### IEA

International Energy Agency

#### KWRP

Kwinana Water Recycling Plant

#### ISO

International Organisation for Standardisation

#### LED

Light emitting diodes

#### LNG

Liquefied Natural Gas

#### LPG

Liquefied Petroleum Gas

#### NGERS

National Greenhouse and Energy Reporting Act

#### NSW

New South Wales

#### NWSV

North West Shelf Venture

#### OMS

Operating Management System

#### PV

Solar photovoltaics

#### SEEAC

Safety, Ethics and Environment Assurance Committee

#### TAFE

Technical and Further Education

#### TAS

Talent Acquisition Solution

#### WA

Western Australia

### Group reporting

The BP group *Sustainability Review 2009* is available in pdf format in English, Mandarin Chinese and Russian. [www.bp.com/sustainabilityreview2009](http://www.bp.com/sustainabilityreview2009)

### Country and site reporting

Reports are available describing our operations in Angola, Australia, Azerbaijan, Georgia, Germany, New Zealand, Southern Africa, Trinidad & Tobago and Turkey. We also maintain a library of site reports for more than 30 of our major operations. [www.bp.com/countrysustainabilityreports](http://www.bp.com/countrysustainabilityreports)  
[www.bp.com/sitereports](http://www.bp.com/sitereports)

### Contact details

Your feedback is important to us. You can e-mail the sustainability reporting team at [sustainabilityreport@bp.com.au](mailto:sustainabilityreport@bp.com.au) or send us your feedback online via the feedback page on [www.bp.com.au/envandsociety](http://www.bp.com.au/envandsociety). You can also telephone +61 3 9268 4011 or write to BP Australia Pty Limited, GPO Box 5222, Melbourne VIC 3001, Australia.

### BP Australia website

Provides more information on our activities in Australia and includes details of our financial performance in 2009. [www.bp.com.au](http://www.bp.com.au)

### BP Annual Report and Accounts 2009

Gives detail of our group financial and operating performance. [www.bp.com/annualreport](http://www.bp.com/annualreport)

### BP Statistical Review of World Energy

Published in June each year, reports on key global energy trends. [www.bp.com/statisticalreview](http://www.bp.com/statisticalreview)

### Paper

This report 2009-10 is printed on FSC-certified Revive Uncoated Enhanced paper, which is manufactured from 100% de-inked post-consumer waste at a mill with ISO 14001 certification.

INSERT FSC SYMBOL (WITH RECYCLED AND CERT NO).

© BP Australia Pty Ltd.



bp

beyond petroleum®