

bpamocoalive

environmental and social update 1999

- basics
- objectives
- performance
- governance & policy
- location reports
- interactive tools
- downloads
- legal
- investor centre
- press office
- register for news

ask sir john
the chief executive
question a day
business operation

today's fe



highlight
bpamoco
new
st new
noce anno
s in Trinidad

bpamoco

keeping you in touch with our

financial social and

environmental

balance

Read the latest
report from Gra

Texas - location
from BP Amoco

bpamoco directory

e-mail

search



visit

www.bpamoco.com/alive



www.bpamoco.com/alive

A place, not a page.
A place where shareholders,
analysts, fund managers,
customers, commentators and
others can access information
and establish an ongoing
dialogue with BP Amoco.

I am pleased to announce a major step forward in the evolution of company reporting from BP Amoco. Last year, we published our first combined Environmental and Social Report alongside our Annual Report and Accounts. Now we have moved on again, to produce our first combined financial, environmental and social report – conceived and designed primarily to be viewed and used on the Internet.



www.bpamoco.com/alive, described in this leaflet, breaks new ground in several ways. We think of it as a 'living' report. In addition to detailed reporting of all three aspects of performance, it includes in-depth 'location reports' which demonstrate how group business strategy, policies and targets come together in real business operations in actual places. It includes video of BP Amoco people, business partners and external commentators, talking about our

activities. It will be continuously refreshed and updated over time, with up-to-date information and new features. Most importantly, it invites you, the user, to ask questions and tell us what you think.

www.bpamoco.com/alive is a new form of company reporting. It is an experiment that I hope you will help us to improve and take further. Most of all, however, I hope you enjoy it and find it useful.

Chris. Gibson-Smith.

Chris Gibson-Smith
Executive Director
April 2000

www.bpamoco.com/alive

environmental and social review

BP Amoco's Business Policies are the foundation on which we build and conduct our business. Everyone who works for us is expected to live up to them.

This review of our progress towards fulfilment of our business policy commitments appears in our published Annual Report and Accounts. For a full account of our business, environmental and social performance, see www.bpamoco.com/alive described on pages 4 and 5.

Ethical conduct

Our multi-faceted ethics programme is founded on the ethical conduct policy, supplemented by our Guidelines on Business Conduct.

Our approach to managing ethical conduct emphasizes policy understanding, consultation and sound judgement. Workshops and other forums foster understanding, openness and employee interaction. Our Internal Audit function,

Employees

Line managers are responsible for implementing our commitment to employees. In 1999 the initiatives used to support them included:

- people measures – performance targets and measures for people management processes
- employee surveys – listening and feedback to gauge progress
- harmonization of human resources processes

Restructuring following the merger resulted in job changes, relocation and redundancy for significant numbers of employees.

We tried to minimize uncertainty by telling individuals as soon as possible how they were affected. Nearly everyone knew their position by the end of March.

Major activities have included harmonizing human resources systems such as pay and benefits; creating a new framework for



fuelled by natural gas

A BP Amoco joint venture in Egypt has successfully commercialized compressed natural gas (CNG) as a transportation fuel. Exhaust from CNG vehicles typically contains 85% fewer pollutants than those from gasoline-powered vehicles. The project won a Chairmen's Award in 1999.



solar showcase

The distinctive G8 Solar Showcase – supreme winner in the 1999 Chairmen's Awards – was built to demonstrate the potential of renewable solar energy to the G8 heads of government summit in Birmingham, UK. It now serves as a visitor centre at the Baglan Bay Energy Park, South Wales.

together with our Legal and Security teams, works with the businesses to promote best practices and resolve ethical issues.

All employees in positions of responsibility down to team leader level attest personally every year to the progress made in applying the policy to their business activities, and bring issues of doubt and/or non-compliance into the open. Internal Audit reviews the rigour and completeness of the certification process.

Employees can use confidential telephone numbers to request help or report wrongdoing. Matters raised are referred for investigation and resolution.

- programmes to build a shared vision for the merged organization
- leadership development initiatives.

We measured progress towards our people measures targets quarterly. Performance for the year is detailed on page 8. During 1999 these measures were extended to cover all staff worldwide.

Our annual People Assurance Survey was sent to 60,000 staff during October. Monthly telephone surveys also gathered feedback on issues such as staff morale and company direction. Findings are summarized on page 8.

staff development; and training to align managers with the group's new strategy. We also developed a comprehensive strategy for diversity and inclusion.

Relationships

Our relationships policy encompasses many commercial, technical, political and community relationships. Most are specific to the context in which they are formed.

Mapping and improving relationships with governments and communities is given highest priority at group level. Our Intranet provides guidelines on relationships with contractors and suppliers.

A country risk assessment process helps management evaluate political, economic and social risks before major decisions are taken to invest in new areas. We continue to develop social impact assessment techniques and use formal consultation processes for local social reporting and to support local external relations needs. At group level we maintain active dialogue with human rights and development organizations as well as with environmental non-governmental organizations.

Health, safety and the environment (HSE)

Good HSE performance and the health, safety and security of everyone who works for the group are critical to our success. Performance improved through 1999, but we continue to strive to achieve our goals of no accidents, no harm to people and no damage to the environment.

Two priorities have dominated 1999. First, the environment management systems at about half of our major operations have

greenhouse gas emissions trading programme went live in BP Amoco on 1 January 2000. External accounting and environmental specialists will conduct an emissions verification process for the trading.

We have been a prominent contributor to the international environment debate and welcomed many opportunities for discussions with governments, environmental groups, companies and individuals.



from grime to golf

BP Amoco employees in Pumpherton, Scotland, devised an innovative clean-up strategy to reclaim land contaminated by detergents and tars after a century of extracting oil from shale. The site is now being used to extend a golf course. Not only a Chairmen's Award winner, the project has won a UK Lottery grant as well as various other plaudits.



a new perspective

Children with special needs take part in a session on environmental issues through our Schools Link programme. Since 1968, the programme has attracted hundreds of BP Amoco volunteers who work with local schools to bring a new perspective to learning.

After fundamental analysis of our approach to relationships with communities, we are moving from the philanthropic basis for corporate community contributions to a social investment model aligned with group strategy. This focuses on delivering economic benefit through sustainable jobs and wealth creation to the communities where we operate. The board approved this new approach in November.

See page 8 for details of our social investment in 1999.

been certified by external auditors as compliant with international standard ISO 14001. The rest should achieve this by 2001. Second, in response to concern about climate change, the first worldwide

Hundreds of our managers have been trained to use a specialized safety auditing tool which addresses and removes safety risks immediately. This is one of many initiatives that drive our safety system.

people and performance

We believe our employees' motivation is integral to the way in which the group performs. Empowered and committed people help create a competitive advantage. Keeping all our 80,000 staff worldwide informed is a task to which we are committed.

BP Amoco's goals are constructive two-way dialogue, upward feedback and peer review. They provide an environment in which performance is objectively assessed and employees recognize their contribution to performance. We aim to stimulate creative opportunities for the group, business unit, team and individual and create a diverse and inclusive organization in which people progress purely on merit.

Our strategy and business plans are widely shared with employees. In our European operations, people are involved in Employee Consultation Councils. In all areas, team briefings, presentations, e-mail and the company Intranet inform employees and create opportunities to express views and communicate ideas. We encourage employees to become shareholders of BP Amoco through our employee share ownership schemes.

visit our website for more information

This year sees the launch of www.bpamoco.com/alive, our online corporate reporting service. It provides detailed, and regularly updated, accounts of our environmental, social and financial performance in one place.



What you'll find at

www.bpamoco.com/alive

www.bpamoco.com/alive brings the idea of 'triple bottom line reporting' to life. Information is current, comprehensive and easy to access on five separate channels: basics; objectives; governance and policy; location reports; performance.

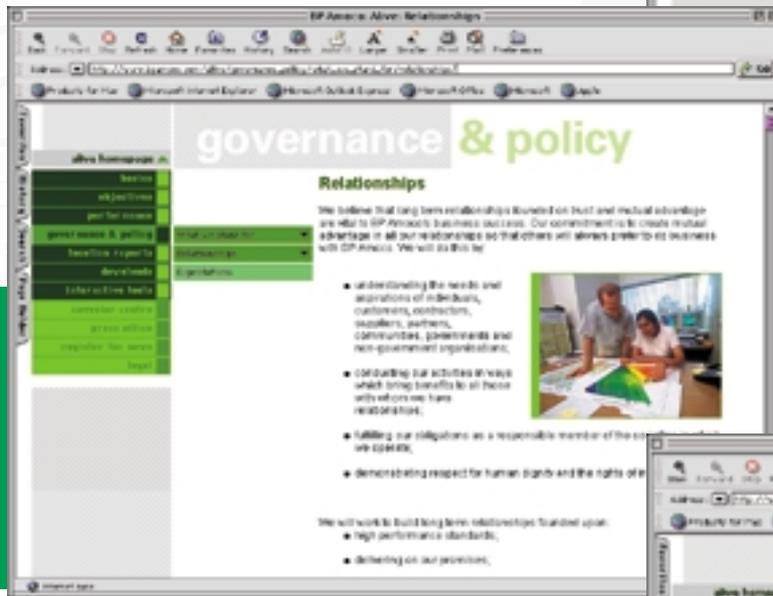
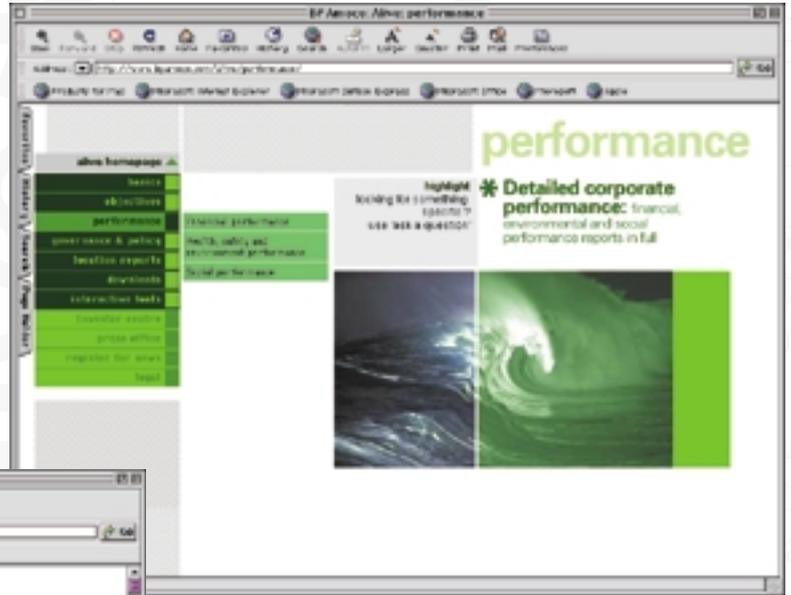
www.bpamoco.com/alive is intended to be a shared experience, with visitors invited to make full use of a range of interactive tools and to request as well as access information. For the first 100 days since launch, the group chief executive is available to answer a user question every day.

The **basics** channel provides an overview of BP Amoco, our history and current profile along with key events and **performance** highlights of the past year. The **objectives** channel explains our business strategy and objectives in the context of wider market issues and identifies our targets for the coming year and beyond.

Performance in detail

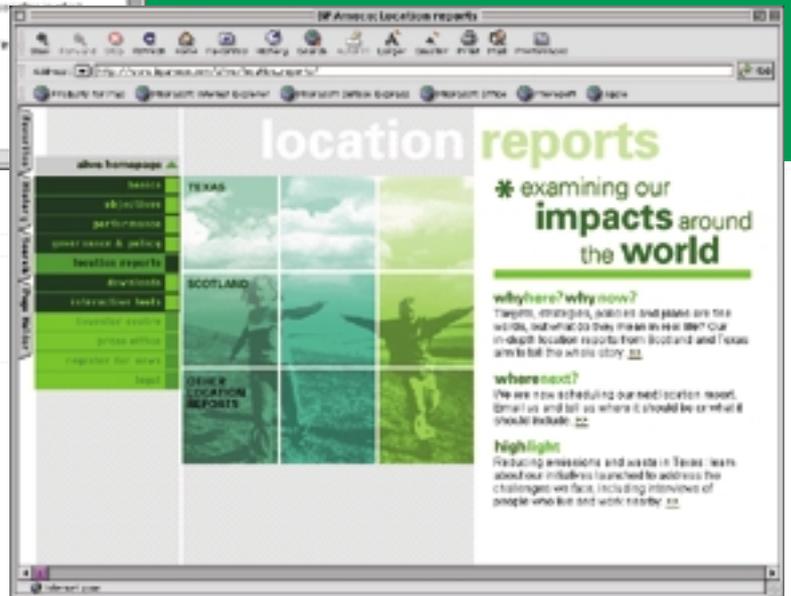
The **performance** channel contains a detailed account of our health, safety and environmental performance, and our social performance against published commitments on ethical conduct, employees and relationships.

The channel includes features on specific issues: climate change, non-financial performance measurement, the human impact of the BP and Amoco merger, and our new Global Social Investment initiative. HSE and social data is also provided, along with regular updates right across BP Amoco.



Our policies explained in full

The **governance and policy** channel contains full details of the commitments that drive BP Amoco, explains our approach to corporate governance and offers a real insight into the role of our external auditors and our audit processes. Policy statements on ethical conduct, relationships, health, safety and environment, employees, and control and finance are all described in detail.



An in-depth look at our impacts around the world

Through the **location reports** channel, www.bpamoco.com/alive offers visitors the chance to share our working experience in specific locations around the world. Editorial features, video reports, location photography and data provide 'living' accounts of the social, environmental and economic impact of our operations.

The channel offers environmental and social features, independent stakeholder surveys and a full review of the context of our operations in all featured locations. Updates on information and case studies featured in previous Environmental and Social Reports are also provided.

global social investment

A new framework for social performance. At www.bpamoco.com/alive we explain the concept and how it builds on our previous efforts in support of communities wherever we operate.

Global Social Investment (GSI) is a new concept in BP Amoco. GSI will be a radical new approach to our relationships with the many communities in which we do business, locally and in the world at large.

We recognize that our social performance – defined as the way we behave, the impact of our operations on people and our overall contribution to society – is the subject of rising expectations of major

companies. There are significant business risks if we get it wrong, and real opportunities for competitive advantage if we do it well.

With GSI, we have established a new and strategic use of investment to support positive social performance. The overarching goal will be to inspire and enable communities to achieve the greatest sustainable progress. The strategy includes both innovative local community

investments where we have business operations and a global programme of support for engagement by our employees.

With a focus on success and self-reliance in the communities where we operate, our social investment will be fully aligned with our business objectives.

It will help us to fulfil our commitment that the places where we operate should benefit from our presence.



HSE in action

The BP Amoco Chairmen's Awards for Health, Safety and Environment are the most prestigious recognition for outstanding HSE achievements in the company. Each year we receive hundreds of entries exhibiting amazing variety and innovation. As well as honouring those who may be award winners, the projects and ideas are widely shared within the company and even outside it to continuously improve our HSE performance.

Some examples of best practice from the 1999 Chairmen's Awards entries:

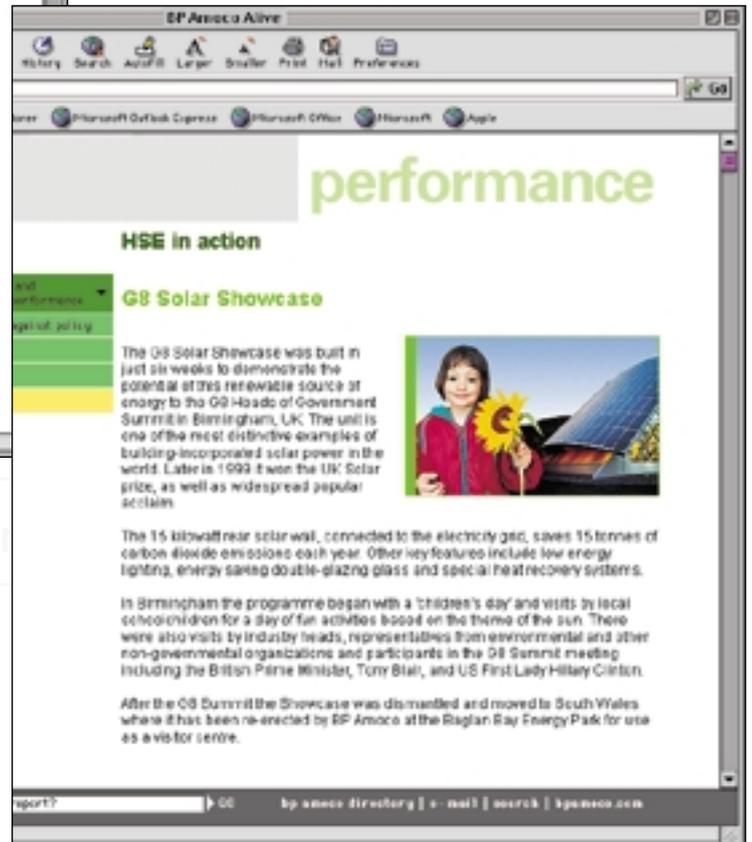
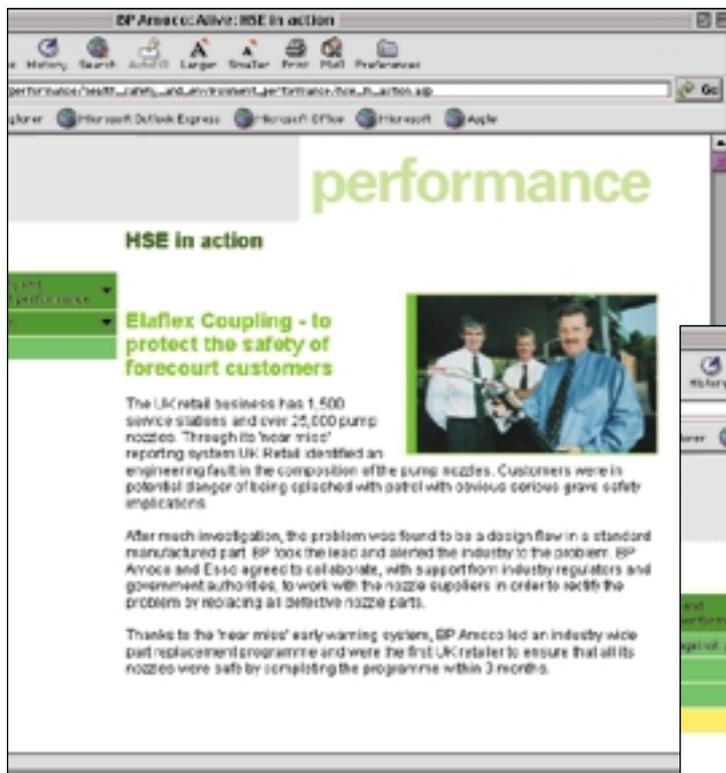
- An ergonomics study in New Zealand's retail business led to a revised design specification for service stations worldwide
- In Malaysia, a sanctuary for endangered turtles was one of several examples of how

industry in partnership with governments and non-governmental organizations can work to improve our environment

- A hands-on practical emergency response training programme devised by BP Amoco in the USA was extended outside the company to train fire-fighters and others involved in community emergency response

- We led a global cross-industry initiative to drive down the number of contractor injuries on offshore drilling rigs by changing safety behaviours and culture.

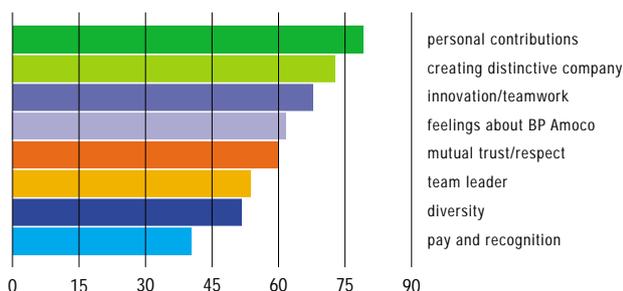
Each week www.bpamoco.com/alive will feature a new story from the many different parts of the world where we operate.



performance highlights

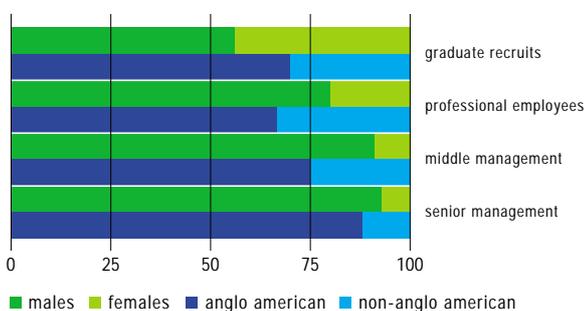
1999 employee attitude survey score

favourable – %



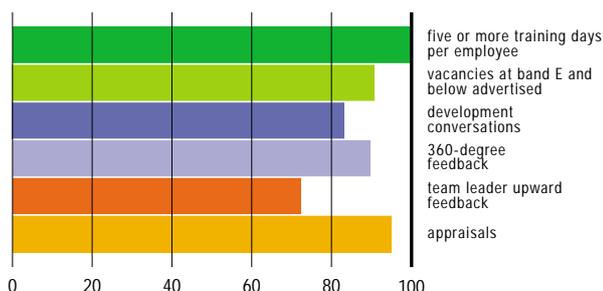
employee profile

%



1999 performance measures

targets = 100%



HSE performance highlights^a

| | 1999 | 1998 |
|--|------|------------------|
| Safety record | | |
| Days away from work case frequency^b | | |
| Employees | 0.17 | 0.18 |
| Contractors | 0.35 | 0.38 |
| Total workforce | 0.25 | 0.27 |
| Environment | | |
| Hydrocarbon emissions to air ('000 tonnes) | 845 | 968 |
| Discharges to water ('000 tonnes) | 46 | 55 |
| Oil spills (number over 1 barrel^c which reach land or water) | 732 | 730 ^d |
| Greenhouse gas emissions (million tonnes)^e | 79.8 | 82.8 |

^a Full health, safety and environmental data is available on BP Amoco's website www.bpamoco.com/alive

^b An injury or illness that results in a person being unable to work for a day (shift) or more. The frequency is per 200,000 hours.

^c 1 barrel = 159 litres = 42 US gallons.

^d Total of spills reported separately by BP and Amoco in 1998. Definitions were harmonized on 1 January 1999.

^e BP Amoco equity share of emissions of carbon dioxide and methane from sites where BP Amoco has financial equity, expressed as an equivalent mass of carbon dioxide.

social investment^a

| \$ million | 1999 | 1998 |
|-----------------------|-------------|-------------|
| By region | | |
| UK | 10.4 | 12.2 |
| (UK charities) | 5.3 | 5.1 |
| Rest of Europe | 3.5 | 2.6 |
| USA | 36.4 | 37.0 |
| Rest of World | 17.1 | 13.1 |
| Total | 67.4 | 64.9 |
| By theme | | |
| Community development | 29.5 | 15.8 |
| Education | 14.8 | 14.6 |
| Environment | 4.7 | 6.1 |
| Arts and culture | 11.0 | 13.6 |
| Other | 7.4 | 14.8 |
| Total | 67.4 | 64.9 |

^a Excludes BP Amoco's operating costs and its own environmental expenditure, fully reported on BP Amoco's website www.bpamoco.com/alive

Acknowledgements

Paper

The paper used for this report meets the strictest environmental standards set by the Nordic Swan Council and is fully recyclable. The pulp used to produce the paper is generated locally, fully sustainable and bleached without the use of elemental chlorine.

Further information

All our main group reports and further information about BP Amoco can be accessed from our website at www.bpamoco.com/alive

Further copies of BP Amoco Environmental and Social Update and other publications can be obtained from the following address:

BP Amoco Distribution Services
PO Box 934, Bournemouth
Dorset BH8 8YY, UK
Telephone: +44 (0) 1202 244030
Fax: +44 (0) 1202 246464
E-mail: bp-bpds@ed-youth.com

Design and production

Designed by Pauffley, London

Typeset by Generator Limited

Data for employee attitude survey score on page 8 supplied by Sirota Consulting Corp.

Printed in England using *pureprint* technology by The Beacon Press (certificated to ISO 14001 and EMAS)

© BP Amoco p.l.c. 2000



BP Amoco

