

environmental and social review 2000



exploration and production

Activities: Present in 25 countries;
production operations in 21 countries
Daily production: 1.93 million barrels of crude oil and
7.6 billion cubic feet of natural gas (60% oil, 40% gas)
Discoveries: 33 giant finds 1996-2000 (>250mmboe)
Reserves: 15.2 billion barrels of oil equivalent
(50% oil, 50% gas)
Reserve replacement ratio: 160%
Reserve replacement exceeded production in 2000
for the seventh consecutive year

gas and power

Activities: Gas sales contracts in 24 countries
Gas sales volumes: 14.5 billion cubic feet a day
Power: 1,900MW power generation projects under
development or construction

refining and marketing

Refineries (wholly or partly owned): 24
Refinery throughput: 2.9 million barrels of crude oil a day
Oil product marketing sales: 3.8 million barrels a day
Service stations: 29,000

chemicals

Sites worldwide: 55
Production: 22.1 million tonnes a year
Revenues: \$11.2 billion a year

solar energy

Activities: Products used in more than 150 countries
Production: 42MW of solar panel generating
capacity sold in 2000

view online

Find regular updates, latest
video footage, downloads, and
much more on our website



Search function



Audio footage



Video footage



Downloads



FAQs



www.bp.com

1 introduction

2 guide to our
environmental
and social
reporting

4 the global
context

5 Climate change

7 Human rights

9 Lower carbon energy



Welcome to this Environmental and Social Review for the year 2000.

As last year, our corporate reporting on the *bp.com* website offers a comprehensive account of our financial, social and environmental performance, together with location reports from a range of different business operations around the world. The website will continue to be updated through the year with the latest performance data and other new material.

This publication provides a convenient summary in hard copy form of our environmental and social performance in 2000. It includes a brief overview of how we implement our business policies on ethical conduct, employees, relationships and health, safety and environmental performance, and a selection of performance data for the year. It also discusses some of the major issues and challenges we encounter in today's world.

Over the last two years BP has merged with Amoco and acquired ARCO and Burmah Castrol. Despite these far-reaching organizational changes, we have maintained and strengthened our policy commitments and will continue to do so.

These changes have projected us on to a wider world stage. We are much larger and have significant presence in more places. The advantages of scale and financial strength provided the business logic for this growth, but with it come a wider set of responsibilities and a new role in the world. We relish the challenge this new role presents. How successfully we meet it, of course, only time and the judgements of others will tell.

Our performance reporting is one means of enabling people to arrive at such judgements. I hope you find it interesting and urge you to let us have your comments and reactions. You can contact us via *www.bp.com* or write to us at BP, Britannic House, 1 Finsbury Circus, London EC2M 7BA, UK.

A handwritten signature in black ink that reads "Chris Gibson-Smith".

Chris Gibson-Smith
Executive Director, Policies and Technology
April 2001

10 policy
commitments

12 social
performance

18 HSE
performance

25 attestation
statement

12 Ethical conduct
14 Employees
16 Relationships

18 Oil spills
19 Health, Safety
20 Climate change,
Air emissions
21 Water, Biodiversity
22 Performance data
24 ISO 14001

a guide to our environmental and social reporting



The corporate reporting channel on www.bp.com contains a detailed account of our environmental and social performance. The channel includes features on key global issues such as climate change, human rights and biodiversity. In addition, location reports provide detailed information from a number of different business operations around the world.

In BP, the term environmental reporting covers health, safety and environmental (HSE) performance, which is one of our five business policy commitments. Our HSE performance can be seen as the progress we make towards our policy goals of no accidents, no harm to people and no damage to the environment.

Similarly our social performance can be seen as the progress we make towards the commitments in our ethical conduct, employees and relationships policies.

However, environmental and social performance is about more than adherence to policies. It is the outcome of three things: our **behaviour**, that is, how we live up to our policies; the **impact** of our operations and products; and our overall **contribution** to society.

reporting against our policies

We explain how we implement our policies and seek assurance that they are being applied and provide measures of performance wherever possible, whether good or bad. This is supplemented by discussion of some key issues associated with our industry.

corporate reporting on *bp.com*

Our Internet site *bp.com* provides full details of our environmental and social performance. The corporate reporting channel includes sections on financial, environmental and social performance, key issues and location reports.

Location reports are chosen to illustrate how we make our policies 'live' in the very different places in which we operate. They include independently collected views from our stakeholders.

This Environmental and Social Review provides an overview of the HSE and social performance content of *bp.com*, but does not contain all the detailed reporting found on the Internet or the location reports.

BP's Annual Report and Accounts 2000 is also available as a download from *bp.com*. The other material on the website does not form part of the Annual Report and Accounts; nor does the content of this publication.

verification

An attestation statement relating to this publication can be found on page 25. The full attestation statement for our environmental and social reporting is provided within the corporate reporting channel of *bp.com*

⇒ more online

@ www.bp.com/corp_reporting/guide/guide_hse.asp

the global context

a changing world

Societies and economies do not grow by chance. They need the right conditions. In the 20th century it became clear that, if development were to be sustained, these conditions included a responsible attitude towards the environment. Today, as awareness of some of the negative impacts of unrestrained development increases, the focus has shifted from growth as an end in itself to development that is both sustainable and broad-based.

In Europe and North America this shift goes back several decades but has accelerated recently. Elsewhere it is a newer trend. But with globalization of communications, greater mobility and improved education, many emerging-market countries are now seeing the whole process compressed into a few years. In some parts of the world there is a risk that the need and desire for economic growth can overwhelm other considerations. The challenge everywhere is to develop and grow in a responsible way.

business and society

Business has always been an important agent of change. Companies are part of society. They reflect human concerns and potential and also embody an inherent belief in progress and positive change. They have to move forward to survive in an intensely competitive, fast-changing business context.

In the modern era, companies that want to operate successfully on a long-term basis cannot isolate themselves from society. A wider role is expected of large companies by governments, non-governmental organizations, employees, the media, shareholders and customers. On major public policy issues responsible business now has a clear choice whether to engage – to be both part of the debate and part of the solution.

the role of profits

Underpinning everything business does is profitability – the means to reward shareholders and to grow the business. But profits also support corporate social programmes and environmental activities and ultimately provide the means by which companies can improve and widen their commitment to the community.

So the fundamental test for any company becomes its performance – today, tomorrow and the day after tomorrow. Without superior performance and strong profitability companies cannot deliver the higher standards sought by society.

Equally, if business disregards the environmental and social consequences of its activities eventually this will threaten profitability. Superior social and environmental performance help a company's sustained business performance by reducing costs, creating new opportunity, generating additional revenue and building valuable relationships.

Today financial, social and environmental performance are inseparable.

relationships and resources

The roles and relationships of government, business and civil society are also evolving. Each retains clear and distinct aims. But each relies on the others to achieve maximum effectiveness and there is agreement on many things. Among these areas of agreement is the need to alleviate poverty, create wealth, protect the environment and defend human rights.

Progress on these shared objectives, however, is only likely if numerous resources are mobilized, including capital, people, knowledge, energy, food and water. This can only be achieved through partnership utilizing the combined strengths of government, business and civil society.

Inevitably there will be divergent views about the best way to proceed – who should do what, where, when and for what reward will remain central issues. But, as long as it is agreed that such obstacles must be overcome if the well-being of the world's growing population is to be improved, progress remains possible.

the basis of progress

Certain conditions appear fundamental to human progress. Among the most important are the rule of law and access to justice, honest administration, transparency and accountability. Equally important are the free flow of ideas and knowledge, intellectual property rights, advancement on merit, open markets and stable fiscal and tax regimes.

Only governments can create these conditions, but business and civil society have a common interest in supporting and encouraging their development and in aligning their efforts to those of government. Business can also support local communities, provide revenue for governments and help others, including non-governmental organizations, to act.

If this collective effort is made, the likely outcome is responsible development – that is, broad-based development that benefits the many rather than the few, and development that does not damage the environment and allows future generations the same choices as we have. →

the global context: BP and climate change

Climate change is an issue that raises genuine public concern. BP shares this concern and believes that industry should be leading the search for practical and cost-effective solutions.

Atmospheric concentrations of greenhouse gases (GHGs) are increasing and the balance of informed opinion believes global temperatures are rising as a result. Uncertainty persists about not only the magnitude and timing of temperature increases but also the consequences.

Many countries are acting, or preparing to take action, on climate change. BP believes that industry worldwide should co-operate with governments and others in seeking economically sound and internationally agreed solutions. For the oil and gas industry, climate change has become the dominant issue of public policy.

We think this debate is too important to ignore. In September 1998 Sir John Browne, our group chief executive, announced that BP would set itself the target of reducing its GHG emissions to 10% below 1990 levels by 2010. He said: "BP intends to meet its greenhouse gas target progressively, year by year, and to do it in a way that is transparent, so the reductions can be measured and verified by external observers."

The announcement of BP's GHG target is evidence of our concern for climate change and our support for precautionary action. Our target exceeds the worldwide reduction agreed by the world's industrialized nations in Kyoto in 1997.

We believe that flexibility is necessary to tackle the issues of GHG reduction. In particular BP supports the three flexible market mechanisms proposed by the Kyoto Protocol: emissions trading, joint implementation and clean development mechanisms. On 1 January 2000, our internal emissions trading system went live – the first truly global corporate greenhouse gas emissions trading system.

Our world and climate change: image from an interactive page on bp.com



⇒ more online

@ www.bp.com/key_issues/context/index.asp
www.bp.com/environmental/climate_change/index.asp

the global context

the challenges of globalization

The world today is more open than ever before. Mobility is easier; countries and regions are more interdependent; communication across continents and oceans is immediate. Political and trade barriers are falling and the global banking system is more integrated than ever before. Talent knows few boundaries. Institutions and companies routinely operate on a global basis.

These developments are all part of what is known as globalization. Because of globalization, trade has grown rapidly, generating huge gains in productivity and efficiency. For many low-income countries, globalization has opened the door to export-led industrialization and rising living standards.

If globalization is to create lasting stability and progress, however, it must be a process benefiting all. Hundreds of millions of people still lack reliable access to water and live on less than \$1 a day. The absolute number of poor continues to grow, as does the gulf between rich and poor. Under this relentless pressure the authority of many governments is diminishing, together with their ability to enforce tax and regulatory policies. Yet rising populations bring with them growing needs for healthcare, poverty reduction and wealth creation.

energy and progress

Ultimately social progress rests on economic progress, which in turn depends on energy. In the next 50 years the global population could grow by about 55%. Just to stand still, global gross domestic product must also increase by 55% by 2050. Energy demand continues to grow steadily at more than 2% a year to support this and to improve quality of life.

Energy will always be intrinsic to economic and social development. Despite repeated claims to the contrary, going back to the Club of Rome in 1974, the world is not running out of hydrocarbon resources. In fact, total oil and gas reserves continue to rise.

Rather the issue is cost – not just monetary cost, but the price society is prepared to pay in terms of social needs and environmental impact for the energy it must have if progress is to be sustained.

Challenges like these have been overcome before. In the last 50 years per capita incomes nearly tripled. Life expectancy in developing countries increased by more than 50%. Illiteracy rates in developing countries halved between 1970 and 2000. It can be done.

Today the major challenge is clear – to provide energy without negative environmental impact. This will not be achieved overnight. Energy from fossil sources still accounts for over 80% of the world's use. More than 90% of the global car population still uses gasoline. Even assuming undertakings made by governments at Kyoto in 1997 are implemented, by 2020, this percentage will be at least 83% on current forecasts.

Alternative energies – methanol-powered fuel cells, solar energy, hydrogen, biomass, wave power, wind power – will begin to reduce our dependence on fossil fuels over the next 25-50 years. But for the foreseeable future hydrocarbon products will remain fundamental to human progress.

dealing with the consequences of development

The nature of a business based on the processing of natural resources means that many of the contemporary challenges of sustainable development, including global warming and air quality, confront BP directly – in our exploration and production operations, in our refining and marketing activities, in our production of chemicals for industry and through the potential impacts of our products.

We are committed to respond to the challenges posed by the objective of sustainable development. In our view sustainable development is a long-term strategic issue that will involve business in considerations beyond its normal responsibilities. Technology will play a central role in developing new approaches. The priorities for meeting economic, social and environmental needs in emerging markets in a sustainable way will be as important as, but different from, those in developed economies. →

the global context: BP and human rights

We believe that human rights are universal. They are enshrined in the United Nations Universal Declaration of Human Rights, which we support. The Declaration sets out the obligations to promote universal respect for and observance of human rights and fundamental freedoms for all, without distinction as to race, gender, language or religion. The promotion and protection of human rights are legitimate concerns of business.

We also respect the 1977 International Labour Organization's 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy' and the 1976 OECD 'Guidelines for Multinational Enterprises'.

Our policy on human rights is explained to employees through comprehensive guidance on our internal website, and open debate is promoted at executive leadership programmes and other events.

Our business unit leaders are expected to consult with their local communities, non-governmental organizations and government at all levels to ensure that potential issues arising from our operations are identified and the risks addressed.

In 2000 we continued to use social impact analysis to identify potential problems, including risk of human rights abuse. Studies were undertaken in a number of countries, including South Africa, East Timor and Indonesia, and other studies are planned.

BP was involved in the discussions leading to the launch of the UN Global Compact, for which we have pledged support, and a new set of voluntary guidelines on the provision of security and protection of human rights, developed with the British and US governments and human rights organizations.



⇒ more online

@ www.bp.com/key_issues/context/index.asp
www.bp.com/key_issues/social/human_rights.asp

the global context

the bp approach

BP is approaching the issue of sustainable development both as an ethical imperative and a business opportunity, recognizing that there are limits to what we can and should do. Competitive advantage will go to those who anticipate the pace and breadth of the changes implied by sustainable development without penalizing their financial performance.

BP's focus is on the production of hydrocarbons, petrochemicals and renewable sources of energy. We create products and services to meet the needs of people for light, heat and mobility and deliver them in ways that customers and partners find attractive.

This strategy helps define the limits of our activities and the skills and attributes we need to bring with us.

Given this background, we are moving towards sustainability by recognizing and identifying our environmental and social impacts, setting targets for improvements, developing new tools and new businesses, learning from others and measuring progress so we can adjust our efforts as necessary.

how we move forward

To drive progress we have focused on key areas of relevance to us, both environmental and social. These include climate change, lower carbon energy, clean fuels, biodiversity, water and social investment.

Within BP there has been a major shift towards the production of natural gas. We have set up the world's first global greenhouse gas emissions trading scheme to help meet our internal emissions reduction target. Our solar business is growing by 25-30% a year, while our commitment to introduce cleaner low-sulphur fuels in some of the planet's most polluted urban areas is now a reality in almost 60 cities worldwide.

Much of our work on biodiversity and water is designed to heighten awareness, manage our own impacts better and widen co-operation with others to achieve possible solutions. Research programmes to develop hydrogen-powered vehicles and find ways to capture carbon dioxide are part of a longer-term strategy to work towards sustainability.

We have devised a global social investment strategy with the emphasis on job and wealth creation. This is backed by clear commitments on human rights, partnerships with governments, international bodies and non-governmental organizations, and participation in policy debates at every level – all based on the belief that BP can make its greatest contribution to sustainable development by sharing values and ideas with others.

conclusion

BP recognizes the significant environmental and social challenges faced by the world in the 21st century. We believe we can, and should, play a part in addressing and resolving many of the issues associated with sustainable development. We also accept that, while industry can be part of the solution, it cannot and should not be the whole solution. Governments, companies and civil society must find effective ways of working together.

Our objective is to bring to these challenges a creative, progressive, distinctive and responsible approach and to do so in an ethical way in line with our core values and business policies. In particular we regard the greater transparency and accountability associated with sustainability as an opportunity for leadership and innovation.

In a rapidly changing world where issues are readily highlighted but solutions are sometimes harder to discern, we believe this approach offers the best chance of long-term success.

Ultimately, the sustainability agenda will accelerate the drive to cleaner fuels. By 2050 the mix of primary energy sources, the way they are delivered, the demand for them and the geo-strategic issues surrounding them will all vary significantly from those of today.

the global context: BP and lower carbon energy

BP aims to provide clean, safe, competitively priced energy. We are always looking for ways to make our products even cleaner and more environmentally friendly. We have created a 'lower carbon energy' technology programme to intensify the development of business options that continuously reduce the emissions associated with the production and use of our products.

BP's lower carbon energy programme is pursuing business opportunities in natural gas, renewables, energy efficiency, hydrogen and fuel cells. It forms a core element of our drive towards offering cleaner, less carbon-intensive products to our customers.

The industrial era was powered first by wood, then coal, with oil becoming significant in the last century. Gas, with the lowest carbon content of all fossil fuels, is now the fastest-growing energy source. Switching from coal to gas as the primary fuel for generating electricity can result in a 50% reduction in carbon dioxide emissions per unit of electricity generated.

Our primary renewable energy business is BP Solar, one of the largest producers of solar technology, with solar products used in more than 150 countries around the world. We plan to develop our solar business rapidly, continuously growing the business at a rate of 25-30% every year. BP is also the largest private consumer of solar energy in the world.

Recent developments in fuel cell technology point the way to further improvements in efficiency and reduced emissions, particularly if hydrogen is used as a fuel. Working with DaimlerChrysler, we are fuelling hydrogen-powered buses in a number of major cities around the world. This requires a unique refuelling infrastructure for hydrogen to ensure sufficient outlets are available when required. We are also working with General Motors to help develop a fuel cell car that uses gasoline as a source of hydrogen.



⇒ more online

@ www.bp.com/key_issues/context/index.asp
www.bp.com/key_issues/environmental/carbon_energy.asp

policy commitments

We believe that, wherever we operate, our activities should generate economic benefits and opportunities for an enhanced quality of life for those whom our business impacts; that our conduct should be a positive influence; that our relationships should be honest and open; and that we should be held accountable for our actions.

Our business policies focus on five areas: ethical conduct; employees; relationships; health, safety and environmental performance; and control and finance. They apply to all our activities worldwide.

Our policy commitments are the foundation on which we build and conduct our business. We expect everyone who works for BP to live up to these commitments.



commitment to ethical conduct

We will pursue our business with integrity, respecting the different cultures and the dignity and rights of individuals in all the countries where we operate.

BP supports the belief that human rights are universal. They are enshrined in the UN Universal Declaration of Human Rights (UDHR), which we support. The Charter sets out the obligations to promote universal respect for and observance of human rights and fundamental freedoms for all, without distinction as to race, gender, language or religion. The promotion and protection of all human rights is a legitimate concern of business.

In our actions and our dealings with others, we will:

- respect the rule of law
- promise only what we expect to deliver, make only commitments we intend to keep, not knowingly mislead others and not participate in or condone corrupt or unacceptable business practices
- fulfil our obligations and commitments, treat people according to merit and contribution, refrain from coercion and never deliberately do harm to anyone
- act in good faith, use company assets only for furthering company business and not seek personal gain through abuse of position in the company.

We will expect the same commitments from third parties directly acting on BP's behalf.

commitment to employees

Our approach to managing people and developing their skills is consistent with the principles of our brand. We respect the rights and dignity of all employees. Everyone who works for BP contributes to our success and to creating a distinctive company. Working together, drawing from our diverse talents and perspectives, we will stimulate new and creative opportunities for our business. Collectively we will generate a more exciting and rewarding environment for work in which every individual feels responsible for the performance and reputation of our company.

We commit to creating a work environment of mutual trust and respect; in which diversity and inclusion are valued; and where everyone who works for BP:

- knows what is expected of them in their job
- has open and constructive conversations about their performance
- is helped to develop their capabilities in a culture of innovation and allowed to develop themselves within the company
- is recognized and competitively rewarded for their performance
- is listened to and involved in improving the team's performance
- is fairly treated, without discrimination
- feels supported in the management of their personal priorities.

commitment to relationships

We believe that long-term relationships founded on trust and mutual advantage are vital to BP's business success.

Our commitment is to create mutual advantage in all our relationships so that others will always prefer to do business with BP.

We will do this by:

- understanding the needs and aspirations of individuals, customers, contractors, suppliers, partners, communities, governments and non-government organizations
- conducting our activities in ways that bring benefits to all those with whom we have relationships
- fulfilling our obligations as a responsible member of the societies in which we operate
- demonstrating respect for human dignity and the rights of individuals.

We will work to build long-term relationships founded upon:

- high performance standards
- delivering on our promises
- openness and flexibility
- learning from others
- mutual interdependence
- sharing success.

commitment to health, safety and environmental performance

Everyone who works for BP, anywhere, is responsible for getting HSE right. Good HSE performance and the health, safety and security of everyone who works for us are critical to the success of our business.

Our goals are simply stated – no accidents, no harm to people and no damage to the environment.

We will continue to drive down the environmental and health impact of our operations by reducing waste, emissions and discharges and by using energy efficiently. We will produce quality products that can be used safely by our customers.

We will:

- consult with, listen to and respond openly to our customers, employees, neighbours, public interest groups and those who work with us
- work with others – our partners, suppliers, competitors and regulators – to raise the standards of our industry
- openly report our performance, good and bad
- recognize those who contribute to improved HSE performance.

Our business plans include measurable HSE targets.

We are all committed to meeting them.

→ [more online](#)

@ www.bp.com/corp_reporting/gov_policy/stand_for/index.asp



1



2

ethical conduct

Ethical conduct in BP is founded on our ethical conduct policy, which in turn is founded on the policy limitations and expectations for the group established by the board of directors.

There are two generic approaches to codes of ethical conduct in business. The first is based on rules and compliance. The second is value-based and requires individuals to take personal responsibility for interpreting and understanding the code.

We use a balanced mix of both approaches, with a strong emphasis on the personal responsibility of individuals to exercise judgement in a manner consistent with our values. This reflects our overall management ethos, which demands a high degree of responsibility and autonomy at all levels in the organization and helps us apply consistent principles in the many different circumstances in which we operate around the world.

Our approach includes:

- clear articulation of policies and supporting guidance
- risk management and assurance processes applying across all our business policies
- a self-certification process
- awareness-raising and development activities
- processes for dealing with lapses.

Line managers are accountable for implementation of the policy.

Policies, expectations and guidelines:

aspects of policy are amplified as necessary by more detailed statements for employees.

Our Guidelines on Business Conduct provide guidance to staff on the interpretation of the ethical conduct policy. They cover human rights, legality, political contributions, bribery and corruption, services rendered by agents, advisers, consultants and other third parties, conflicts of interest and gifts and entertainment.

They also include:

- a decision model to help clarify issues and potential consequences
- rules on discipline and reporting breaches of the policy
- tests that managers can apply to ensure the policy is working effectively.

These guidelines and other examples of detailed policy statements and guidance can be seen on our corporate reporting website, including:

- guidelines covering gifts and entertainment
- the relevant sections of the Group Procurement Handbook
- the group security policy, and
- policy guidelines on human rights.

During 2000 we updated our Guidelines on Business Conduct to take account of feedback. We also published the ethical conduct policy and guidelines on business conduct as a booklet entitled 'Finding your way through the maze', and introduced new ethical conduct and security websites for employees.

Risk management and policy assurance

are key factors in meeting our performance promises. The criteria we use to assess the magnitude of the risk combine financial and reputational impacts that, for a large company such as BP, may be at local, national or international levels.

Assurance activities and processes fall into three broad categories:

- performance measures to demonstrate that the policies are being implemented in practice. These can be hard measures, where meaningful data can be collected, or softer measures for less tangible factors, such as raising the level of staff awareness of the ethical dilemmas they face
- internal processes for implementing each of the policies, monitoring performance and reporting gaps at business unit, functional, regional and group levels
- regular challenging of business performance by senior management and review by managers from similar business operations in other parts of the group.

Our ethics certification process is the formal expression of ethical conduct as an employee's personal responsibility.

Every business unit leader is required to sign a certificate each year attesting that the ethical conduct policy has been adopted and that procedures are being or have been implemented to ensure compliance. All BP employees in

1 Cleaner business clubs

In Poland, a unique partnership between BP and two leading environmental NGOs helps small businesses improve their environmental performance.

2 Protecting biodiversity

For more than a decade the BP Conservation Programme has promoted pioneering scientific projects worldwide as a contribution to global conservation priorities.

3 Alaskan commitment

Internships for North Slope residents are part of a drive to increase the number of native Alaskans finding employment in the oil industry.

4 'Adopt-a-community'

Sports and youth activities feature in a comprehensive partnership for community development between government, BP and the residents of Mayaro Guayaguayare, Trinidad.



3



4

social performance

positions of responsibility are asked to attest personally to the progress being made in applying the policy to their own business activities and practices, and to bring into the open any issues where there may be doubt or non-compliance.

In 2000 we ran the ethical conduct certification process throughout BP, introducing our policy and this process into the new businesses arising from the ARCO and Burmah Castrol acquisitions.

Ethics workshops and seminars are an important route towards developing employee understanding. Events focusing on the ethical conduct policy or various aspects of ethical behaviour are run in every region where BP operates. We also run educational programmes covering our fraud policies to heighten staff awareness and alert them to the early warning signs of corrupt or fraudulent practices.

More than 75 workshops were run during the year, targeted on the basis of the degree of risk and business need.

Handling policy breaches: everyone in BP is held accountable for implementing our policy commitments and expectations and for raising with their management any issue where they are in doubt about the correct course of action. Wilful or careless breach or neglect of the policies is treated as a serious disciplinary matter.

An Investigation and Fraud Awareness Network (IFAN) provides an independent centre of expertise for the prevention of fraud and the investigation of serious violations of company policy, breaches of ethical conduct, fraud and other criminal acts.

Hotline numbers give employees an easy and effective way of reporting concerns relating to possible violations of law or company policy. Matters raised are held in strict confidence and are referred to the IFAN network for investigation and resolution.

BP and security

Co-operating with some armies or police forces carries a risk that the company's reputation will be tainted by their unfavourable record of human rights violations. It is, however, possible to obtain army or police protection that is both effective and free of human rights violations.

While the safety of our staff and contractors is paramount, BP will ensure that any security arrangements protect human rights and are consistent with international standards for law enforcement. The alternatives, forming a private army or paying protection money, are not options. BP wishes to avoid all direct payments to the military and expects that military protection will be provided out of taxes.

We vigorously pursue the principle that members of the community are themselves stakeholders in our activities and consultation with local community leaders is an integral part of policy implementation. Helping local people feel that they are stakeholders in the project encourages the understanding that harm to the operation is harm to the local community itself.

⇒ more online

@ www.bp.com/corp_reporting/social_perf/index.asp



1

employees

Following the merger with Amoco and the acquisition of ARCO and Burmah Castrol, the geographic profile of the company has changed. More staff are based in the USA. The Burmah Castrol acquisition has increased our presence in the growth markets of India and Asia Pacific. BP now employs around 100,000 people in more than 100 countries.

A highlight of 2000 was the launch of the new BP brand, which helped staff worldwide to feel part of a unified entity, whatever their company heritage. The update and relaunch of our business policies – including the employee commitment – were integral parts of the introduction of the new brand.

The evolution of the organization inevitably created uncertainty for some staff and a number of job losses. Where redundancies were necessary, consultation processes were implemented to ensure that employees' views were heard.

An employee survey is sent to all BP staff annually to measure how the company is progressing towards meeting its commitment to employees. Some 63% of BP staff completed the 2000 survey. Results are compared with 1999 scores to monitor trends.

Overall results for 2000 indicate that trends are moving consistently in the right direction. Scores showed a slight favourable shift for almost all questions and also some significant improvements – for example, in the areas of staff development and diversity, where the company placed particular focus during 2000. BP scored particularly highly in areas concerning company performance. 71% of staff said they would recommend the company as a place to work and three-quarters said they were proud to work for BP.

An employee satisfaction index is calculated for each business unit and function in the company to measure progress over time and to help units learn from one another. For the group as a whole, the index increased by four percentage points, from 55% in 1999 to 59% in 2000. The index is based on favourable responses to 10 survey items that are shown to correlate statistically with staff satisfaction.

The score for Amoco-heritage staff improved strongly compared with last year, and is now



2

comparable with other parts of BP. Former ARCO and Burmah Castrol staff, included in the survey for the first time, were among the most positive groups (ARCO 61%, Burmah Castrol 60%).

Despite these improved results, there are a number of areas where we need to improve performance because only half the population, or fewer, gave favourable ratings. As last year, these include the areas of diversity and staff development, together with issues around recognition.

Staff development: during 2000 a top-level committee was set up to bring a group-wide focus to staff development issues. The committee is creating a new model for learning and growth across the organization.

Effective leadership is vital to the long-term success of our business. We therefore pay particular attention to ensuring we have the right people in place to lead the company in the future. A number of assessment programmes help us identify employees who have leadership potential, and mechanisms are in place to develop their careers and give them appropriate experience.

A training event for company leaders was introduced following the merger with Amoco in 1999 to help align managers with the strategy and business objectives of the newly integrated company and to facilitate the exchange of information and ideas. The success of these programmes resulted in an additional 37 events being hosted around the world during 2000, and further programmes are scheduled for 2001.

BP's executive education programme was run during 2000 for the most senior leaders in the company. By the middle of 2001 nearly 500 senior people will have attended at least one of the four modules, which provide opportunities to explore a number of key business issues and focus on integration issues. Business schools have worked closely with us to develop the content of the programme.

A new group-wide programme was introduced in 2000 to help orientate experienced recruits who join BP later in their careers. This complements programmes already in existence for new graduate entrants. During 2001, a new programme will focus on developing employees who are taking on management responsibility for the first time.

Increasingly, training and development will be

1 Growing opportunities

Growing peace lilies provides employment for single mothers in the Hazeldene area of Cape Town, in a partnership with the South Africa Peoples Federation.

2 Good neighbours

BP employees join volunteers from other organizations to repair homes belonging to low-income or elderly people in the Houston area.

3 Improving lives

Health, education and income generation are the themes of a major programme of support for the Warao indigenous community in Venezuela.



3

facilitated through employees' access to on-line human resources services.

A diversity and inclusion strategy was created in 1999 and we have structures in place to help deliver improvements across BP. A second top-level committee has been set up to bring a group-wide strategic response to diversity issues.

Some statistics illustrating gender and nationality profiles in BP are highlighted below.

Gender	Female	Male
Senior management	9%	91%
Middle management	16%	84%
Below middle management	24%	76%
Experienced recruits	25%	75%

Nationality	Non-Anglo American	Anglo American
Senior management	11%	89%
Middle management	22%	78%
Below middle management	21%	79%
Experienced recruits	25%	75%

A Global Women's Summit held in November 2000 served as a strategic planning forum focusing on diversity issues. Senior management, both male and female, high-potential female employees and a wide range of women in their early careers from BP's global operations in 18 countries attended the conference. In total there were around 145 delegates.

A strategy for group-wide recruitment and early development was developed during 2000, including targets for university recruitment. Around 260 graduate recruits joined BP in 2000.

Members of the top-level Recruitment and Diversity committee are individually establishing links with universities outside our traditional recruitment markets in the UK and the USA to help us gain access to a wider, more diverse talent pool.

In 2000 BP also recruited more than 600 experienced people, joining at a later stage in their careers.

Home-life balance: the global reach of the company, with people working outside traditional working hours as they communicate across time zones, requires employees to be increasingly

flexible in their approach to their jobs. To recognize this and to help them achieve a more effective balance between work and their home lives, BP has introduced new flexible working options at many locations, facilitated by technology that allows staff to work from different places or from home.

Comprehensive targets have been set for the completion of core human resources processes. These basics are measured regularly and include completion of processes for staff appraisal, upward feedback from employee to team leader, and staff development. The target for these processes is 100% delivery.

Other measures include the number of training days per employee per year (against a target of an average of five days); the number of graduate recruits and experienced recruits (set against defined recruitment targets) and the number of voluntary resignations.

The table below shows how we performed against some of these targets in 2000.

	Appraisals %	Upward feedback %	360° feedback %	Training days	Development conversations %	Vacancies advertised %
Total group	96	77	81	6	91	96
Targets	100	100	100	5	100	100

The human resources function is radically transforming itself toward a vision of integrated service with shared systems and processes across BP.

We have entered into an agreement with Exult Inc. to provide transactional and administrative HR services, initially to our largest employee groupings in the USA and the UK, and later to our global workforce.

Exult is introducing user-friendly, web-based HR tools in a system called *myHR.net*. These tools enable staff to review and update their own personal data, and managers to have easy access to the people data they need to help manage their businesses.

⇒ more online

@ www.bp.com/corp_reporting/social_perf/index.asp



1



2

relationships

The relationships commitment is primarily a statement of values, overlapping with our other policy commitments and influencing the way we fulfil them. It is:

- underpinned by more detailed policies and guidelines in specific areas, such as business conduct and human rights
- promoted and debated through internal learning processes
- reinforced through initiatives in specific areas, such as risk assessment and social investment.

Customers: at group level we use market research to obtain quantitative data on how we are perceived by customers and opinion-formers around the world.

During 2000 we initiated a global brand tracking programme in 27 countries. We looked at how we are doing by comparison with our traditional competitors and other global brands from outside the energy sector. In countries where BP has a retail presence we asked people for their views about our service stations. In all 27 countries we asked about BP as a whole, examining our corporate reputation and brand positioning.

The programme is run by Millward Brown, a leading market research agency based in the UK with affiliate companies around the world. Examples of the information available from the survey are shown here and on bp.com

Procurement and other business relationships represent a major part of our overall impact in society. There are many aspects to the social impact of these relationships, for example:

- how successful we are in influencing others to behave in accordance with our own values and adhere to our operating standards
- the local economic impact of our procurement decisions, particularly in developing countries
- the wider social impact we can have, for example, in encouraging minority-owned businesses.

We are at different stages in our understanding of these various impacts and in the responses we have provided in different parts of the world.

We have clearly articulated our expectations on the policies, values and operating standards of business partners, and comprehensive guidance to employees is provided in our Group Procurement Handbook.

We are aware of how important our economic impact can be in developing or vulnerable communities. Our operations in Algeria and Angola provide examples of where we are seeking to enable local suppliers to benefit from our activities. In our US operations we have a supplier diversity programme, advocating purchases of goods and services from suppliers owned by minorities and women. Last year, minority- and woman-owned businesses provided \$400 million in supplies and services to BP in the USA. Similarly in South Africa we are working to encourage black economic empowerment.

Positive long-term relationships are vital to our business success. These include relationships with communities, governments and non-governmental organizations (NGOs), as well as with customers and business partners.

Business success or failure can depend on the quality of our relationships with governments. The more international the business becomes, the more challenging the management of the relationships around the globe. Relationship mapping, political risk assessment and social issues management are areas where we have been exploring new techniques in recent years.

Overall, 2000 was a year of consolidation, getting to grips with many new relationships and the connections between them. International interest has focused on some major issues, such as fuel prices, the debate about the Arctic National Wildlife Refuge and our recent investments in China. Our new brand prompted some mixed reactions from the NGO community, although we believe it symbolizes more effectively the values already embedded in the company.

Country risk assessments are undertaken, usually prior to major new investments or where the social or political environment gives cause for concern. Although these assessments usually involve input from external sources, the results remain confidential to the business.

1 Seabird rescue

Our support for the South African Foundation for the Conservation of Coastal Birds plays a vital role in the rescue and recovery of oiled sea birds.

2 Algerian crafts

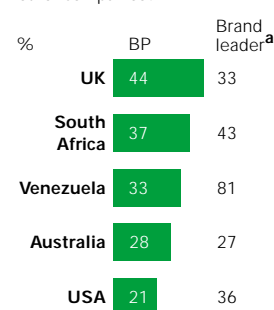
BP is supporting traditional craft industries in southern Algeria, helping local crafts people gain access to international markets.

3 Himalayan sun

BP supplies and installs solar modules for school and community buildings in Bhutan in the eastern Himalayas.

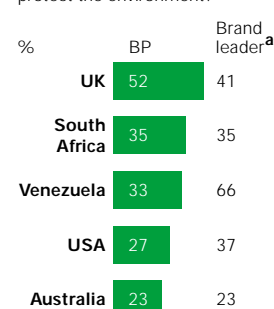
honesty and integrity

Which of these companies do you think you associate more with honesty and integrity than other companies?

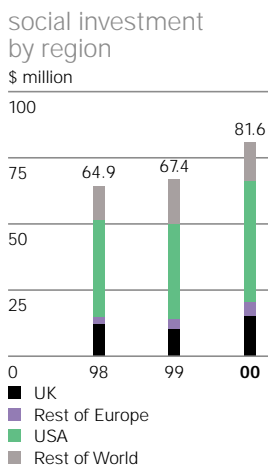


protecting the environment

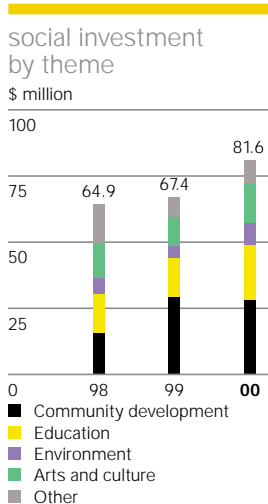
Which of these companies do you think make a real effort to protect the environment?



^a Or second brand where BP is brand leader.



Social impact assessments are an increasingly regular feature of the way we map the likely impact of major developments and review progress with stakeholders. Although social impact assessments are based on thorough consultation, participants are given an assurance that what they say will be treated in confidence. In 2000 social impact studies were undertaken in a number of countries, including South Africa, East Timor and Indonesia. Local studies are under way in connection with the proposed Shah Deniz gas pipeline from Azerbaijan to Turkey and several studies in other parts of the world are being scoped at present.



Figures include third-party costs only and exclude staff and overhead costs.

Global Social Investment (GSI) is the investment we make to improve our social performance. Often financial, it can just as easily be about the way we run the business itself – being committed to local hire, for example. The concept of social performance incorporates:

- our behaviour – whether we live up to our business policies
- our impact – how well we manage the impact of our operations on people, and
- our overall contribution to society.

We aim to share examples of excellence in social performance around the group and develop true performance measures in this area. Only by finding ways of measuring performance can we assess whether we are fulfilling the commitment in our business policies that places where we operate should benefit from our presence. We continue to monitor our investment in community programmes, measuring the input, mainly in terms of financial support, and capturing outputs wherever possible.

A global BP Employee Matching Fund was launched in December 2000. Building on previous practice across the heritage companies, the fund is available to support employee engagement in communities wherever we operate, with grants totalling up to \$5,000 per employee a year.

Other achievements in 2000 include assembling guidance material on local enterprise development and its role in enhancing business social performance and developing an intranet site for employees about GSI.

Opinion research

“Of a bad bunch, they’ve made some moves in the right direction.”

Over the last three years, leading opinion researchers MORI have held a series of group discussions on our behalf with representatives from major British NGOs. In some respects, the climate of NGO opinion seems to have changed little since 1998. There is still suspicion of multinational companies – especially those working in the extractive industries – and a belief that they should be doing more to uphold their responsibilities to society and the environment.

However, there is widespread awareness that BP has changed its approach both to such issues and to the way it relates to NGOs, and it is praised as having been a catalyst for change in the oil industry as a whole.

Some are sceptical about BP’s motives in trying to change in this way, but we have clearly developed a degree of trust with many NGOs. Almost all expect NGOs and large companies generally to become increasingly interdependent in the future.

Some of BP’s activities and stances in recent years – most noticeably, our exit from the Global Climate Coalition – have evidently impressed many, but also raised expectations. BP’s investment in solar energy is seen as a positive development, but also evokes criticism that it forms a relatively small part of BP’s overall activities. Broadly speaking, there is a keenness to see BP go much further.

“From my point of view, BP have an incredible opportunity to make a huge impact, a positive impact and to take a lead. To show that whilst these energy sources are still required, they can leave a more benign footprint when they go – and whilst they are there – if they put their minds to it and if that commitment is there.”

⇒ more online

@ www.bp.com/corp_reporting/social_perf/index.asp

Everybody who works for BP, anywhere, is responsible for getting health, safety and environment (HSE) right. Good HSE performance and the health, safety and security of everyone who works for us are critical to the success of our business.

Through our HSE management system, 'Getting HSE Right', we seek to identify the real causes behind health, safety and environmental incidents that occur and minimize their risk of recurrence. We continue to strive to understand our direct and indirect impacts on the environment and set measurable goals to reduce those impacts. Our annually agreed performance contracts track everybody's work objectives and include measurable goals to achieve these aims. We are all committed to meeting them.

We are encouraged by our progress in 2000, but recognize that there are still challenges ahead. During 1999 and 2000 we have been consolidating the HSE management systems of BP, Amoco, ARCO and Burmah Castrol into a single internationally consistent framework. We are establishing a clear understanding of our performance with which we can address the challenges of the future.

Environmental education in China

The environmental educators' initiative (EEI) is a six-year programme that combines the resources of three organizations: the Chinese Ministry of Education, the World Wide Fund for Nature and BP. The first partnership of its kind between a Chinese government ministry, an international environmental organization and a multinational company, this has resulted in greatly increased capacity to carry out environmental education in China.

China is restructuring its curriculum for kindergarten through to secondary education in an extensive and ground-breaking effort to enhance student-centred and enquiry-based learning, and the EEI will combine forces with this governmental initiative. This reform is an opportunity for formalizing environmental education in the new curriculum.

Through teacher training, resource development and links between schools and local communities, the project will reach 3,000 education officials and benefit tens of millions of students and their communities in China.



Our goals are simply stated – no accidents, no harm to people and no damage to the environment.

Oil spill avoidance is critical to our industry and society because of the potentially serious impacts on health, safety and the environment. Oil released into the environment can contaminate land, air and water. It is a highly flammable material that, if ignited, can cause severe injuries and damage to property.

The three fundamental approaches taken by BP to address oil spills are:

- recording and targeting the reduction in the number of oil spills
- inspection of vessels and pipelines used for storage and transportation of oil
- ensuring our preparedness for oil spill response, including clean-up and restoration.

If our systems fail and we spill oil, we take all feasible steps to ensure that as much of the oil as possible is recovered and not left in the environment. About half of our total spills are contained, so never reach land or water.

The number of spills that breach containment to reach land or water has decreased by 42% compared with last year, from 732 to 423 (533 including ARCO data from date of acquisition). These are oil spills over 1 barrel in volume that reach land or water and so make an impact on the environment.

Unfortunately the volume of oil left unrecovered during 2000 increased to 5.5 million litres compared with 3.9 million litres in 1999. Of this unrecovered volume, 60% resulted from a major leak of 4.8 million litres of light condensate oil from a tank at our operations in Sharjah, UAE, during November 2000. This resulted in the release of 3.3 million litres of oil to the desert environment. The spill, caused by undetected corrosion in a large storage tank, had relatively little impact on the surrounding environment. Without this single spill, our 2000 volumes would have shown a considerable reduction in unrecovered oil.

Reduction of both the number and volume of oil spills remains an important priority for BP.



Buen provecho

Many children in Casanare in Colombia suffer from severe malnutrition and disease caused by intestinal parasites, anaemia and iron deficiency. This has had a lasting negative impact on the local community, of which BP is a part because of its exploration and production operations in the region.

With our help, a primary healthcare programme known as 'Buen provecho' (roughly translated as 'Bon appétit' or 'Enjoy your meal') has been implemented to help a group of 250 malnourished children aged 0-4 years. At the beginning of the project in August 1999, 78% of the group were described as severely malnourished. By July 2000, there were no cases of malnutrition.

This considerable achievement has its roots in a decision to train local people as community health educators and equip them to give parasite medication and doses of concentrated vegetable protein to improve the daily diet of the children. Continued coaching of the health educators and parents allows for ongoing preventive care.

Health within BP starts with our policy goal of no harm to people, which includes employees, customers and the public. Protection of our customers is the focus of our product stewardship programmes, while good environmental and safety performance safeguards our neighbours from harm. For employees, we assess and eliminate health risks in the workplace and reduce the number of occupational illnesses. We also believe in promoting healthy lifestyles, a better work-life balance, physical fitness and long-term wellness.

Within BP, business leaders demonstrate a commitment to health by establishing comprehensive programmes for health-risk assessment, management, action planning and implementation. To meet this need, we have developed HealthMAP, an interactive process on BP's internal website to aid business planning using a structured analysis of health programme requirements.

The HealthMAP system was launched in June 2000. Since then it has been used across BP's refining and marketing operations worldwide to provide for the first time a consistent way of reviewing health needs across the company and setting in place programmes to manage health risk. To date, more than 50 workshops have been conducted, with teams of people from various sites and businesses developing their health plans. The results of each workshop are entered directly on to the website where those plans and priorities are published and open for review and sharing.

Safety in BP is a value, not just a programme. Our commitment to the goals of no accidents and no harm to people stated in our HSE policy is fundamental.

We are continuing with incident prevention activities, such as advanced safety auditing that allows us to focus attention on a systematic approach to improving safety-related behaviour. Similarly we continue to implement root-cause investigation throughout BP, which utilizes proved techniques for analysing information, to go beyond the immediate reason an incident occurs down to the underlying cause.

The improvement in days away from work case frequency (DAFWCF) performance has continued across the organization with a 16% improvement in our workforce incident rate in 2000, from 0.25 to 0.21. Employee performance improved slightly from 0.17 to 0.16, while contractor performance improved considerably from 0.35 to 0.26. We are very pleased with the improvement in contractor safety performance over the last four years, with DAFWCF improving by 54%, to levels close to BP employee performance. Working with our contractors is an important part of our management systems and all incidents receive equal focus.

Any fatality is unacceptable to us. We regret that, during 2000, 23 people were killed while working as employees or contractors of BP or in joint venture operations. This compares with 30 fatalities in 1999. For the first time in many years there were no security-related incidents, reflecting the focus we have devoted to this in the recent past.

healthMAP progress



⇒ more online

@ www.bp.com/corp_reporting/hse_perform/index.asp



Environmentally friendly service stations

The concept of a more environmentally friendly service station was developed in Spain and Portugal to enhance environmental awareness among our customers.

After trials at a new service station in Madrid, a large number of energy efficiencies have been achieved. These

include the use of solar power and wind energy, the introduction of water-recycling systems for car washes and the use of double-wall underground tanks and anti-spilling fuel pipes. Other improvements include vapour recovery at petrol pumps and during fuel delivery.

At the same time a new ultra low sulphur unleaded petrol was introduced in Valencia and Castellón in Spain and Lisbon, Portugal. A positive reaction from customers, the media and other companies indicates that this strategy is succeeding in raising environmental awareness, as well as improving energy efficiency and reducing emissions.

Climate change is an issue that raises genuine public concern. BP shares this concern and believes that industry should be leading the search for practical and cost-effective solutions. Our approach is two-fold: to reduce emissions of greenhouse gases (GHGs) in our own facilities and those operated by our partners and also to develop solutions for the longer-term global energy mix. To ensure reductions in our own emissions, we have set a company-wide target of reducing GHG emissions to 10% below 1990 levels by 2010.

We have continued to improve the quality of our GHG data and have now completed a second independent audit, verifying almost 60% of our GHG inventory. We can report that the opinion of our independent GHG auditors is that our year 2000 GHG data (excluding ARCO) is free from material misstatement.

We track our performance on all GHG emissions by collating data from all facilities in which we have a financial equity share, whether operated by BP or another company. Our direct GHG emissions in 2000, on an equity share basis, were 72.2 million tonnes, compared with 79.8 million tonnes in 1999. This means that, for 2000, our reported GHG emissions were 9.6% lower than 1999.

We have analysed the emissions data to take into account decreases arising from acquisition and divestment changes and adjustments owing to improvements in the way we calculate emissions. The corrected difference from 1999 is a 3% decrease in emissions – a reduction of nearly 2.4 million tonnes, exceeding our 2% reduction target for the year.

This data excludes emissions of 11.5 million tonnes for 2000 from heritage-ARCO facilities. These facilities will be fully integrated into our reduction target for 2001.

Air emissions associated with the oil and gas industry can affect the environment in two ways. First, there are effects from the emissions that are a consequence of the consumption of our products, particularly when oil or gas is burnt as fuel. To help improve urban air quality, we set ourselves a target to introduce the most appropriate cleaner fuels in 40 cities worldwide by the end of 2000. We exceeded this goal by supplying cleaner fuels in 56 cities, using selected combinations of unleaded, low sulphur, low benzene and reformulated fuels.

Second, air impacts occur as a direct result of the emissions from our operations, which include exploration and production activities, refining, chemicals manufacture and distribution of natural gas, crude oil and other products. Our operations continually strive to reduce emissions to meet and, where practicable, to go beyond, the requirements of emissions regulations. Our approach is to identify the technologies that are most cost-effective in delivering real sustainable emission reductions, and so reduce our impact on local, regional or global air quality.

The principal source of our sulphur dioxide, nitrogen oxides, carbon monoxide and particulate matter emissions is combustion of fuel to generate electricity and heat for our operations. One way to reduce these emissions, and also greenhouse gas emissions, is by energy conservation. During 2000, efficiency improvements were obtained from projects ranging from small modifications to existing plant through to major investments such as installation of co-generation power plants, which efficiently produce both electricity and heat.

Comparing 2000 with 1999, excluding emissions from ARCO and Burmah Castrol activities, BP's total emissions to air decreased by 19%, from 1,496 to 1,211 kilotonnes, following an 11% reduction between 1998 and 1999. Emissions of methane, non-methane hydrocarbons, nitrogen oxides, sulphur oxides and carbon monoxide all fell between 1999 and 2000.

⇒ more online

@ www.bp.com/corp_reporting/hse_perform/index.asp
www.bp.com/key_issues/index.asp

Water resources must be protected not only by reducing discharges to rivers, lakes, aquifers and seas but also through more careful use of water supplies.

Water supplies are unevenly distributed around the globe. In many places the supply is threatened and water quality is declining through the effects of salinity or pollution, or both. At BP, we have an opportunity to use our technologies, skills and resources to enhance water management in areas where we operate. We are implementing a holistic approach to water management to ensure that reducing our water demand lowers both the volumes involved and our overall impact on the environment.

BP's main discharges to water arise from water extracted with oil from underground reservoirs (produced or injected water), cooling water (used to stop systems overheating) and water containing small amounts of contaminants and drilling mud cuttings. All are treated as necessary before being discharged.

In 2000 company-wide discharges to water showed an 11% increase from 46,000 tonnes in 1999 to 52,000 tonnes. Approximately 70% of our discharges come from exploration and production operations, with the majority of those discharges to seawater from offshore platforms. The increase in 2000 resulted from greater drilling activity, which resulted in higher discharges of synthetic drill fluids.

We will continue to address the challenge of reducing these discharges. We are carrying out studies of our water use, discharge and overall water management to understand our interaction with the water resources in areas where we operate.

Biodiversity is being lost at an alarming rate at both global and regional levels. Nature is constantly evolving and changing, but the current rate of loss of biodiversity causes concern. We recognize the importance of biodiversity issues and have made commitments to fulfil our role in addressing them. We have been engaged in conservation work for many years in partnership with numerous non-governmental organizations both to provide assistance with conservation projects and to gain knowledge for use within our own operations.

During 2000 we explored how we could address biodiversity issues through our

environmental management systems and initiated the development of action plans to address biodiversity issues that are aligned with national and local priorities. Last year we tested the production of site biodiversity action plans for 12 of our facilities across the company. This has provided valuable insight into the processes and challenges that need to be addressed by sites in development of their action plans.

For 2001, we plan:

- to produce a further 12 to 15 biodiversity action plans for major BP facilities, in addition to the 12 already developed
- to develop regional biodiversity action plans in key areas, establishing flagship initiatives
- to establish criteria and gather performance data for reporting, e.g. land managed for conservation.

Reducing gas explosion risk

Gas explosion hazards represent a significant part of safety risk on production facilities. The consequences of gas explosion can be catastrophic in human, financial and reputational terms.

BP's Magnus platform, in the North Sea 110 miles north east of Shetland, has a large process area. Although the likelihood of a major leakage of gas is very small, the consequences of such an event could be serious.

To lessen the risk of a gas explosion an innovative method has now been developed on Magnus.

The concept is simple: installation of a lightweight flexible curtain barrier strategically placed to confine flammable gas clouds. Advanced computer modelling was used to develop this system and ensure that ventilation would not be impaired.

The barrier system has general potential where there is gas explosion risk, and the technology is already in use on some of our Southern North Sea platforms and also in the design of a facility in Azerbaijan.



HSE performance data

We believe our performance in 2000 was better than ever in many areas. We made significant and sustainable steps towards our goals of no accidents, no harm to people and no damage to the environment. However, we recognize that, to meet these aspirations fully, we need to improve our performance continuously, building on our strengths and focusing more effort on our weaknesses.

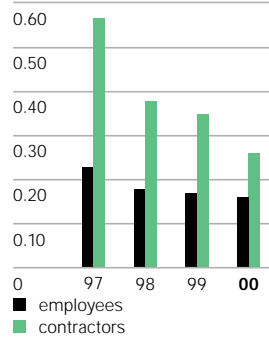
We show performance for 2000 compared with that for 1999. ARCO and Burmah Castrol safety frequency data has been included within BP performance from their respective dates of acquisition. Full-year environmental data from ARCO is shown separately alongside BP data so that historical trends and future forecasting are both taken into account.

The organizational structure within BP has changed following integration of the ARCO facilities. Data denoted as ARCO in the charts therefore represents only those organizational units that are comprised of primarily ARCO-heritage operations.

During 2000 we revised our Environmental Reporting Guidelines following internal feedback and taking into account improvements highlighted by our external greenhouse gases audit.

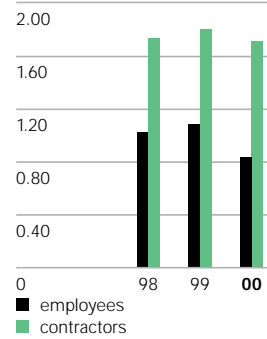
For more information on any of this data visit our website at www.bp.com

employee and contractor safety performance – DAFWCF^a



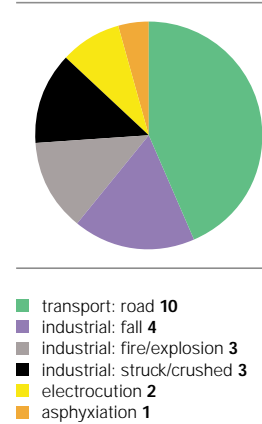
^a Days away from work case frequency: an injury or illness that results in a person being unable to work for a day (shift) or more. The frequency is per 200,000 hours.

employee and contractor safety performance – RIIF^a

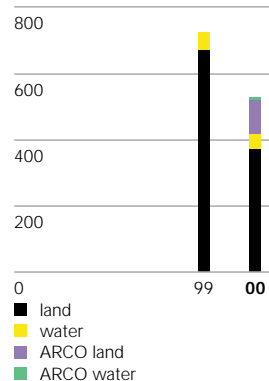


^a Recordable injury and illness frequency. The frequency is per 200,000 hours.

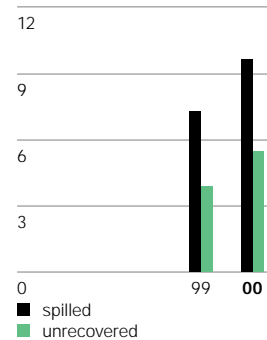
workforce fatalities 2000



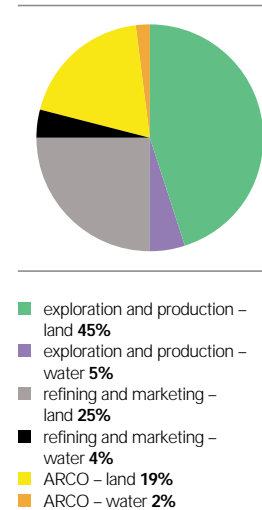
number of oil spills to land or water



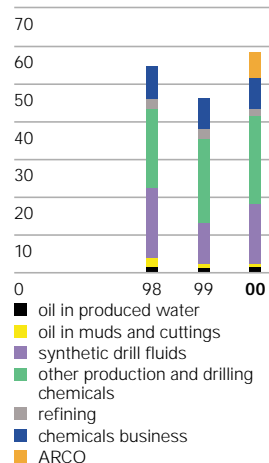
volume of oil spilled and unrecovered million litres



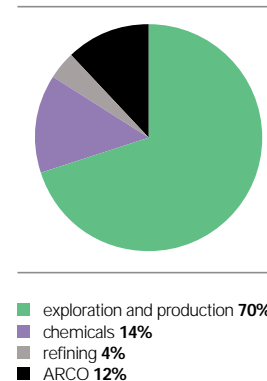
type of spill by business stream 2000



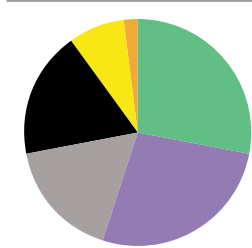
total discharges to water thousand tonnes



total discharges to water 2000



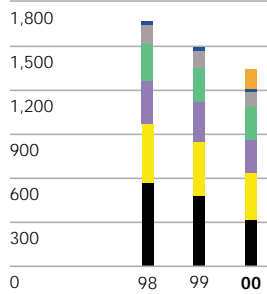
total emissions to air 2000



- methane 28%
- non-methane hydrocarbons 27%
- sulphur oxides 17%
- nitrogen oxides 18%
- carbon monoxides 8%
- particulates 2%

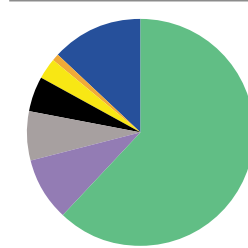
total emissions to air

thousand tonnes



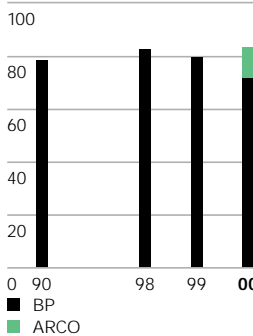
- methane
- non-methane hydrocarbons
- sulphur oxides
- nitrogen oxides
- carbon monoxide
- particulates
- ARCO

where hydrocarbon emissions to air came from 2000



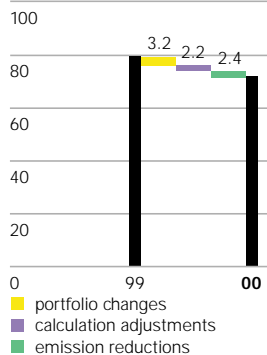
- exploration and production 62%
- oil marketing 9%
- refining 7%
- shipping 5%
- chemicals 3%
- gas and power 1%
- ARCO 13%

greenhouse gas (GHG) emissions^{a,b} (direct, equity share) million tonnes



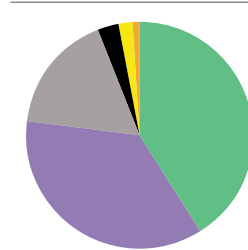
^a BP share of emissions of carbon dioxide and methane, expressed as an equivalent mass of carbon dioxide.
^b This year's GHG audit opinion applies to BP 2000 data only and excludes ARCO data.

breakdown of GHG emission changes 1999 to 2000^{a,b} million tonnes



^a BP share of emissions of carbon dioxide and methane, expressed as an equivalent mass of carbon dioxide.
^b This year's GHG audit opinion applies to BP 2000 data only and excludes ARCO data.

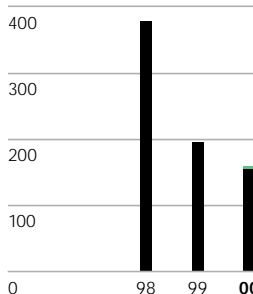
where GHG emissions came from 2000 (direct, equity share)



- refining 41%
- exploration and production 36%
- chemicals 17%
- shipping 3%
- gas and power 2%
- others 1%

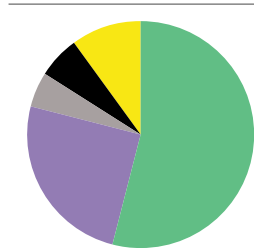
total hazardous waste

thousand tonnes



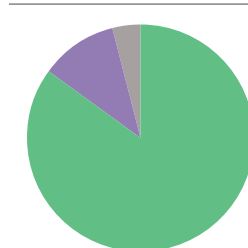
- BP
- ARCO

where total emissions came from 2000



- exploration and production 54%
- refining 25%
- chemicals 5%
- oil marketing 6%
- shipping 10%

where total emissions went 2000



- air 85%
- waste 11%
- water 4%

⇒ more online

@ www.bp.com/corp_reporting/hse_perform/index.asp

ISO 14001

ISO 14001 is an international standard for environmental performance, requiring independent external certification.

One of its key requirements is a commitment to continual improvement in performance and prevention of pollution.

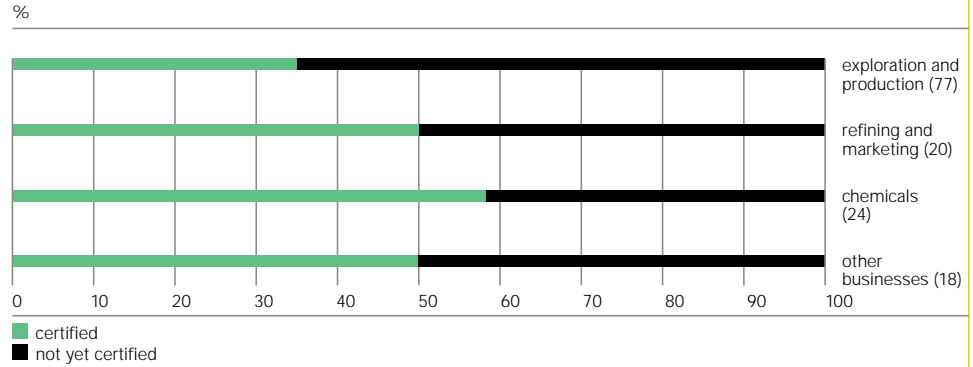
Of BP's 139 main sites or operations around the world that will have their environment management systems certified as complying with ISO 14001, 60 had been certified by the end of 2000. Many of these sites have published environmental statements, providing details of local performance and programmes. These are available on bp.com

The range of sites already certified includes refineries, chemicals plants, exploration and production operations, photovoltaic cell manufacturing plants and a business centre. The full list of sites that have ISO 14001 certification is shown below. Some sites have more than one certification.

UK

Andrew/Cyrus, offshore Greater Forties, North Sea
 Bacton field, offshore southern North Sea
 Bacton terminal, Norfolk
 Brae and Miller, offshore North Sea
 Bruce, offshore North Sea
 Coryton refinery, Essex
 Dimlington and Easington, onshore and offshore North Sea
 Eastern Trough Area Project (ETAP), offshore central North Sea
 Everest and Lomond platforms, offshore central North Sea
 FACTS, CATS Terminal, Teesside

progress of BP towards ISO 14001 certification by end 2000



Numbers in brackets are total numbers of sites working towards certification or already certified.

Foinaven, offshore west of Shetland, Atlantic
 Forties, offshore Greater Forties, North Sea
 Grangemouth complex, Scotland
 Harding, offshore North Sea
 Hull chemicals plant, East Yorkshire
 Magnus, offshore east of Shetland, North Sea
 Montrose and Arbroath, offshore central North Sea
 Schiehallion, offshore west of Shetland, Atlantic
 Sullom Voe terminal, Shetland
 Sunbury business centre, west London
 Thistle, offshore east of Shetland, North Sea
 Wyth Farm, Dorset

Rest of Europe

Bayernoil refinery, Germany
 Castellón refinery, Spain
 Erdölchemie chemicals joint venture, Germany
 European Supply & Distribution
 Geel chemicals plant, Belgium
 Lavéra refinery and chemicals plant, France
 Lavéra chemicals joint venture, France
 Marl chemicals plant, Germany
 Mersin refinery, Turkey
 Nerefco refinery, Netherlands
 Norway offshore operations, including Ula/Gyda
 PFG Arjobex chemicals joint venture, France
 Solar España site, Spain
 Wingles chemicals plant, France

North and South America

Alaska operations, USA
 Canada gas operations
 Casper refinery (closed) remediation operations, USA
 Colombia operations
 Fairfield solar plant, USA
 Gulf of Mexico operations, USA
 Lima chemicals plant, USA
 Mid Continent operations, USA
 Rhodiaco chemicals joint venture, Brazil
 Toledo refinery, USA
 Western US gas operations, USA

Other worldwide

Azerbaijan operations
 BP Energy operations
 BP Shipping operations
 CAPCO chemicals joint venture, Taiwan
 Kuantan chemicals plant, Malaysia
 Kwinana refinery, Australia
 Sharjah operations, UAE
 SPC chemicals joint venture, Korea
 SSBP chemicals joint venture, Korea
 Tata BP solar plant, India

Further information

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.

All our main group reports and further information about BP can be accessed from our website at www.bp.com

Further copies of the *BP Environmental and Social Review*, together with a range of other BP publications, can be obtained from:

BP Distribution Services
 Suite 2, Lansdowne Place
 17 Holderhurst Road
 Bournemouth, Dorset, BH8 8EW, UK
 Telephone: +44 (0)870 241 3269
 Fax: +44 (0)1202 299893
 E-mail: bp-bpds@ed-youth.com

Design and production

Designed by Pauffley, London
 Typeset by Generator Limited, London
 Printed in England using *pureprint* technology by The Beacon Press
 (certificated to ISO 14001 and EMAS)

© BP Amoco p.l.c. 2001

attestation statement

To BP Amoco p.l.c. (BP)

In accordance with your instructions we have reviewed BP's Environmental and Social Review 2000 (the Review), as outlined below, in order to substantiate its contents.

The Review has been prepared by the company, which is responsible for selecting the information and collecting the data for presentation therein.

This attestation statement in itself should not be taken as a basis for interpreting BP's performance in relation to its non-financial policies.

approach

There are currently no statutory requirements or generally accepted standards in the UK relating to the preparation, publication and attestation of corporate environmental and social reports. We have therefore used a customized attestation process involving detailed challenge of the contents of the Review, selected document review, interviews with executives and managers, and site-based reviews to understand how the non-financial policies are being implemented and reported upon.

Basis of our review

Our terms of reference agreed with BP were:

1. To discuss, with a selection of BP executives and senior managers, each of the four non-financial policies (Health, Safety and Environmental Performance, Ethical Conduct, Employees, and Relationships) to understand objectives and priorities for embedding the policies, the means to accomplishing those objectives, and the degree to which those objectives were met.
2. To review selected documents, which provide internal assurance to BP management that policy objectives and priorities are being met.
3. To test evidence supporting the Review's data, statements, and assertions at a sample of BP sites.
4. To review relevant documents, such as Board minutes and Ethics & Environment Assurance Committee minutes, to assess management awareness and review of policy commitments.
5. To review HSE data management systems and samples of data reported by sites to assess whether data have been collected, consolidated and reported accurately.
6. To challenge the Review to substantiate its content.

conclusions

On the basis of our review, in accordance with the terms of reference for our work, we conclude that:

- The objectives for implementation of the non-financial policies described in the Review are consistent with those which the Board and senior managers have set in the course of the year.
- The Board has monitored the implementation of the non-financial policies over the period. As part of such monitoring, it is the responsibility of management to identify any material issues or concerns that may be arising, together with the actions they are taking to address them. In the course of our review, we have seen evidence of this process working in practice.
- HSE data are reliable for assessing group-wide HSE performance in the context of the data reporting boundaries stated in the Review. They have been accurately collated from information reported at site level, based on our review and testing of data processes at site, stream and corporate levels. Not all HSE data from the recently acquired Burmah Castrol-heritage sites have been captured and reported. However, it is understood that plans are in place to ensure that the data are consistently captured in 2001. We are satisfied that the data reported relating to the other non-financial policies have been accurately derived from source material.
- An increasing number of sites have their environmental reporting processes documented within ISO 14001 certified management systems, thus providing added assurance of data reliability. At the sites visited it was observed that in some cases data reporting processes are not yet adequately documented, thus increasing the risks to the data assurance process, particularly at sites where individuals responsible for HSE data management processes have been replaced.
- We are not aware of any significant issues relating to HSE data reported at group level which were not considered for inclusion in the Review.
- Statements and assertions made in the Review are generally supported by evidence found at the sample of sites we visited.

Ernst & Young
London
28 March 2001

