

UN Global Compact



The UN Global Compact (UNGC) is an international initiative that brings together companies, UN agencies, labour organizations and civil society in support of 10 principles covering human rights, labour, the environment and corruption.

The 10 principles are based on the Universal Declaration of Human Rights; the International Labour Organisation's Declaration of the Fundamental Principles and Rights at Work; and the Rio Declaration on Environment and Development.

As a founding member of the Global Compact, we believe that our business policies are in accordance with the 10 principles. We participate in Global Compact meetings in a number of countries and our group chief executive attended the New York summit in June 2004. We agreed with the

decision to add a 10th principle relating to corruption as we regard the prevention of corruption as an important priority for our industry, one which we have implemented by banning facilitation payments and supporting efforts to increase transparency over revenue flows.

Here we provide an index to our performance in demonstrating the Global Compact's 10 principles in our work. Further information, as well as metrics and data, is available throughout this report and on our website. This index cross-refers to relevant GRI indicators. Further information on our approach to the GRI principles and our GRI index are available on pages 60-63 of this report. We report on progress to the UNGC because we recognize that GRI is mainly used by large corporations and we support the efforts of the UNGC to find a more widely accessible way to report, especially for smaller companies.



Global Compact principles		Corresponding GRI indicators	Where will I find reference to this principle?	Page
1	Businesses should support and respect the protection of international proclaimed human rights within their sphere of influence.	HR1, HR2, HR3, HR4	Responsible operations (security) Our people Part of the global community	22 24-29 50-51
2	Businesses should make sure that they are not complicit in human rights abuses.	HR2, HR3	Responsible operations (safety) Our role in society Part of the global community	16-17 43 50-51
3	Businesses should uphold the freedom of association and the effective recognition to the right to collective bargaining.	HR5, LA3, LA4	Our people	24
4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	HR7	Part of the global community	50-51
5	Businesses should uphold the effective abolition of child labour.	HR6	Part of the global community	50-51
6	Businesses should eliminate discrimination in respect of employment and occupation.	HR4, LA10, LA11	Our people Part of the global community	24-29 50-51
7	Businesses should support a precautionary approach to environmental challenges.	3.13	Responsible operations BP and the environment	14-23 32-41
8	Businesses should undertake initiatives to promote greater environmental responsibility.	EN1, EN2, EN3, EN4, EN5, EN6, EN7, EN8, EN9, EN10, EN11, EN12, EN13, EN14, EN15, EN16, 1.1	Responsible operations BP and the environment Five-year performance data Performance management approach	14-23 32-41 54 55
9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN17	Responsible operations BP and the environment	14-23 32-41
10	Businesses should work against all forms of corruption, including extortion and bribery.	SO2	How we work Our people (compliance and ethics)	7-11 28-29

GRI principles

This report has been prepared in accordance with the GRI Guidelines published in 2002. This section outlines the 11 principles, reports on our progress since 2003 and highlights some of the challenges we face.

Transparency The GRI advises that a report's credibility depends on full disclosure of the process, procedures and assumptions used in its preparation. We follow this principle by openly reporting our performance based on clearly defined indicators and making this data accessible using a variety of tools which are available online. This year we have fully described our approach to sustainability reporting and the processes we use (pages 52-53).

Inclusiveness This principle states that the reporting organization should systematically engage its 'stakeholders' to enhance the quality of its reports, conduct audience research through surveys and workshops and respond to their feedback. This year we have published *BP Sustainability Review 2004*, which has been translated into German, Russian and Spanish. We also have a commitment to country and location level reporting. In 2004, we launched reports on Alaska, Germany and Indonesia (page 64).

Clarity To provide clarity, reports should be written and laid out in a way that enables them to be understood by a range of readers. We have identified our audiences and aim to improve the clarity of our reports. For 2004, we seek to meet the needs of our audience by providing a Sustainability Review and comply with the W3C accessibility standard online.

Completeness According to GRI, all information that is material to users for assessing performance should appear in a manner consistent with the declared boundaries, scope and time period. We aim to report on all aspects of our business that have significant sustainability impacts and fall within the boundary of our operational control. We also seek to report on areas that are beyond our direct control, but where we have influence. In 2004, we completed an initial study based on safety and environmental issues to define BP's reporting boundaries better, covering, for example, joint ventures and contractors.

Relevance Relevance relates to the threshold at which information becomes significant enough to be reported. We aim to report on the risks and issues relevant to our activities. This year, we have undertaken an extensive materiality exercise to determine which issues are most significant to our audiences. We believe that this process should also include an internal perspective that reflects our company strategy (page 52). Our external auditors independently conduct a media review to judge the salience of different issues for our audiences.

Sustainability context We believe our report should demonstrate sustainability in an integrated manner. We aim to achieve this by defining what sustainability and responsibility mean for BP and discussing the issues facing the energy industry (pages 4-5). Also in the context of sustainability, we describe our new code of conduct and our framework for corporate responsibility (pages 9 and 11).

Accuracy It is important that this report is sufficiently accurate to enable readers to make judgements based upon its findings. Our internal and external audit processes provide this assurance. However, ensuring the reliability of data within margins we deem acceptable in a global organization with many sites is a challenge. In 2004, we reviewed our non-financial data processes and identified areas of improvement that will, within a new management information standard, help define requirements for data reliability.

Neutrality The principle of neutrality states that reports should avoid bias in selection and presentation of information and strive to provide a balanced account of performance. We aim to present a balanced picture of our activities by reporting our performance openly, whether good or bad (page 3). In 2004, our materiality exercise provided greater objectivity in identifying the most relevant issues. A challenge for BP is to create performance indicators that enable balanced reporting of our impact on society.

Comparability According to this principle, organizations should maintain consistency in the boundary and scope of their reports, disclosing changes and restating previously reported information. The rapid expansion of BP over recent years complicates like-for-like comparisons. However, we publish data over five years to enable comparability and we provide additional information where relevant to the interpretation of the data (page 54). We have a consistent structure for reporting and conduct benchmarking exercises with peer companies to ascertain relative performance. Through IPIECA, we are working together to produce common definitions for key performance indicators.

Auditability The GRI says that data and information should be recorded and disclosed to enable internal or external assurance providers to attest to its reliability. We ensure that records are maintained so that any information can be evidenced on request. We give our auditors open access to our management and operations.

Timeliness The GRI says that reports should provide information on a regular schedule that meets user needs. BP has reported on health, safety and environmental performance every year since 1991 and social performance since 1998. *BP Sustainability Report 2004* follows this pattern. Our online reporting is revised annually and updated appropriately throughout the year.

GRI index

Here we provide an index to our sustainability reporting based on the GRI reporting elements and core performance indicators, as defined in the *GRI Sustainability Reporting Guidelines 2002*. The index shows how and where we are addressing the GRI elements and indicators throughout this report and within our website.

A more detailed index, including additional GRI performance indicators, is available on our website. This incorporates all our external communications, including *BP Annual Report and Accounts 2004*.

www.bp.com/gri

Key

- Fully reported
- ◐ Partially reported
- Not reported

Corresponding with United Nations Global Compact principles

- a Locally managed issue with locally defined indicators; therefore not aggregated.
 - b Assessed not to be relevant to BP.
 - c Not applicable to most oil products except lubricants and polymers.
 - d Detailed data not yet collected or sufficiently reliable, but could be reported in future.
- SR *BP Sustainability Report 2004*
p Page
IFC Inside front cover
IBC Inside back cover



	Location	SR	Web
1. Vision and strategy			
1.1 Statement of the organization's vision and strategy regarding its contribution to sustainable development	IFC, p1-2, 7-8, 12-13	●	●
1.2 Statement from the CEO describing key elements of the report	p1-2	●	●
2. Profile			
2.1 Name of reporting organization	Title	●	●
2.2 Major products and/or services, including brands, if appropriate	p7, 38	●	●
2.3 Operational structure of the organization	p7-11	●	●
2.4 Description of major divisions, operating companies, subsidiaries and joint ventures	p7	◐	●
2.5 Countries in which the organization's operations are located	p7, 30-31	●	●
2.6 Nature of ownership; legal form		○	●
2.7 Nature of markets served	p7	◐	●
2.8 Scale of the reporting organization (including employees, assets, sales and products)	p7, 24, 30-31, 54	●	●
2.9 List of stakeholders, key attributes of each and relationship to the reporting organization	p12-13	●	●
2.10 Contact person(s) for the report, including e-mail and web addresses	IBC	●	●
2.11 Reporting period for the information provided	Title	●	●
2.12 Date of most recent previous report	IBC	●	●
2.13 Boundaries of report and any specific limitations on the scope	p1-2, 34, 52-54, 60	●	●
2.14 Significant changes in size, structure, ownership or products/services that have occurred since the previous report	p1-2, 7, 21, 23, 27-28	●	●
2.15 Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations and other situations that can significantly affect comparability from period to period and/or between reporting organizations	p7, 60	●	●
2.16 Explanation of the nature and effect of any restatements of information provided in earlier reports, and the reasons for such restatements	p54	●	●
2.17 Decisions not to apply GRI principles or protocols in the preparation of the report	p60	●	●
2.18 Criteria/definitions used in any accounting for economic, environmental and social costs and benefits	p54	◐	●
2.19 Significant changes from previous years in the measurement methods applied to key economic, environmental and social information	p54	●	●
2.20 Policies and internal practices to enhance and provide assurances about the accuracy, completeness and reliability that can be placed on the sustainability report	p8-9, 52-53, 56-58, 60	●	●
2.21 Policy and current practice with regard to providing independent assurance for the full report	p56-58	●	●
2.22 Means by which report users can obtain additional information and reports about economic, environmental and social aspects of the organization's activities, including facility-specific information	64, IBC	●	●
3. Governance structure and management systems			
3.1 Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organization	p7-9	●	●
3.2 Percentage of the board of directors that are independent, non-executive directors	p9	●	●

Making the right choices

	Location	SR	Web
3.3 Process for determining the expertise board members need to guide the strategic direction of the organization, including issues related to environmental and social risks and opportunities		○	●
3.4 Board-level processes for overseeing the organization's identification and management of economic, environmental and social risks and opportunities	p8-9	●	●
3.5 Linkage between executive compensation and achievement of the organization's financial and non-financial goals		○	●
3.6 Organizational structures and key individuals responsible for oversight, implementation and audit of economic, environmental, social and related policies	p7-9	◐	●
3.7 Mission and values statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental and social performance and the status of implementation	p1-2, 9-11	●	●
3.8 Mechanisms for shareholders to provide recommendations or direction to the board of directors	p12	●	●
3.9 Basis for identification and selection of major stakeholders	p12	●	●
3.10 Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group	p12-13	●	●
3.11 Type of information generated by stakeholder consultations	p1-53	●	●
3.12 Use of information resulting from stakeholder engagements	p1-53	●	●
3.13 Explanation of whether and how the precautionary approach or principle is addressed by the organization	p32-37	◐	●
3.14 Externally developed, voluntary economic, environmental and social charters, sets of principles or other initiatives to which the organization subscribes or which it endorses	p13-14, 49, 51, 53, 59	●	●
3.15 Principal memberships on industry and business associations and/or national/international advocacy organizations	p12-13, 49, 52-53, 59, 60-63	●	●
3.16 Policies and/or systems for managing upstream and downstream impacts	p2-3, 12-13	◐	◐
3.17 Reporting organization's approach to managing indirect economic, environmental and social impacts resulting from its activities	p11, 35-36, 42-51	●	●
3.18 Major decisions during the reporting period regarding the location of, or changes in, operations	p3, 7-8, 23, 27-28	●	●
3.19 Programmes and procedures pertaining to economic, environmental and social performance. Include discussion of priorities, targets, internal communication and training, performance monitoring, auditing and senior management review	p1-55	●	●
3.20 Status of certification pertaining to economic, environmental and social management systems	p20-21	●	●
4. GRI content index			
4.1 A table indicating location of each element of the GRI report content by section and indicator	p61-63	●	●
5a. Economic performance indicators			
EC1 Net sales – as listed in the profile section under 2.8	p54	●	●
EC2 Geographic breakdown of markets	a	○	○
EC3 Cost of all goods, materials and services purchased	p54	●	●
EC4 Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements	a	○	○
EC5 Total payroll and benefits including wages, pension, other benefits and redundancy payments broken down by country or region	p54	●	●
EC6 Distributions to providers of capital broken down by interest on debt and borrowings and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed	p8, 54	◐	●
EC7 Increase/decrease in retained earnings at end of period		○	●
EC8 Total sum of taxes of all types paid broken down by country	p6, 54	◐	◐
EC9 Subsidies received broken down by country or region	d	○	○
EC10 Donations to community, civil society and other groups broken down in terms of cash and in-kind donations per type of group	p42-43, 54	●	●
5b. Environmental performance indicators			
EN1 Total materials use other than water, by type	a	○	○
EN2 Percentage of materials used that are wastes from sources external to the reporting organization	d	○	○
EN3 Direct energy use segmented by primary source		○	◐
EN4 Indirect energy use		○	◐
EN5 Total water use	p21, 54	●	●
EN6 Location and size of land owned, leased or managed in biodiversity-rich habitats	p14	◐	●
EN7 Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, fresh-water and marine environments		○	●
EN8 Greenhouse gas emissions	p34-35, 54	●	●
EN9 Use and emissions of ozone-depleting substances		○	●
EN10 NO _x , SO _x and other significant air emissions by type	p54	◐	●

	Location	SR	Web
EN11 Total amount of waste by type and destination	p20, 54	●	●
EN12 Significant discharges to water by type	p21, 54	●	●
EN13 Significant spills of chemicals, oils and fuels in terms of total number and total volume	p18, 54	●	●
EN14 Significant environmental impacts of principal products and services	p21, 32-33, 35	●	●
EN15 Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed	c	○	○
EN16 Incidents of and fines for non-compliance with all applicable international declarations/ conventions/treaties, and national, sub-national, regional and local regulations associated with environmental issues	p17, 54	●	●
5c. Social performance indicators – labour practices and decent work			
LA1 Breakdown of workforce, by region/country, status, employment type and employment contract	p24, 54	●	●
LA2 Net employment creation and average turnover segmented by region/country	d	○	○
LA3 Percentage of employees represented by independent trade union organizations or other bona fide employee representatives broken down geographically or percentage of employees covered by collective bargaining agreements broken down by region/country	a	○	○
LA4 Policy and procedures involving information, consultation and negotiation with employees over changes in the reporting organization's operations (e.g. restructuring)	p27-28	●	●
LA5 Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases	p16	●	●
LA6 Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees	a	○	○
LA7 Standard injury, lost day and absentee rates and number of work-related fatalities	p16, 54	●	●
LA8 Description of policies or programmes (for the workplace and beyond) on HIV/AIDS	p50-51	●	●
LA9 Average hours of training per year per employee by category of employee	p24	●	●
LA10 Description of equal opportunity policies or programmes as well as monitoring systems to ensure compliance and results of monitoring	p9, 10, 24-26	●	●
LA11 Composition of senior management and corporate governance bodies including female/male ratio and other indicators of diversity as culturally appropriate	p26-27, 54	●	●
5d. Social performance indicators – human rights			
HR1 Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results	p22, 51	●	●
HR2 Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors	p22, 26-27, 50-51	●	●
HR3 Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring		○	●
HR4 Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring	p9, 10, 26-27, 29, 55	●	●
HR5 Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue	p24	●	●
HR6 Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/ programmes to address this issue, including monitoring systems and results of monitoring	p9, 51	●	●
HR7 Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring		○	●
5e. Social performance indicators – society			
SO1 Description of policies to manage impact on communities in areas affected by activities, procedures/programmes to address this issue, monitoring systems and results of monitoring	p12-13, 14-15, 42-51	●	●
SO2 Description of the policy, procedures/management systems and compliance mechanisms for organizations and employees addressing bribery and corruption	p9-10, 29	●	●
SO3 Description of policy, procedures/management systems and compliance mechanisms for managing political lobbying and contributions	p1, 9, 59	●	●
5f. Social performance indicators – product responsibility			
PR1 Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/ programmes to address this issue, including monitoring systems and results of monitoring		○	●
PR2 Description of policy, procedures/management systems and compliance mechanisms related to product information and labelling		○	●
PR3 Consumer privacy policy, procedures/management systems and compliance mechanisms		○	●