

Company:	BP
Sector:	Oil & Gas
Report Year:	2004
Headquarters:	London, UK
Standard Application:	GRI G2, AA1000
Format:	Listing and mapping

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	50 Part of the global community	

Material issues Within an organization operating in a complex industry in more than 100 countries, it is important that we can identify the most important issues that could affect our business. As our reporting has evolved, we have begun to develop more robust processes for identifying the most material issues for inclusion in our group reports. Our current approach aims to combine an inside-out view of key issues and risks, as defined by our strategic priorities and internal risk management processes at group (enterprise) and regional levels, with the outside-in perspective of external observers.

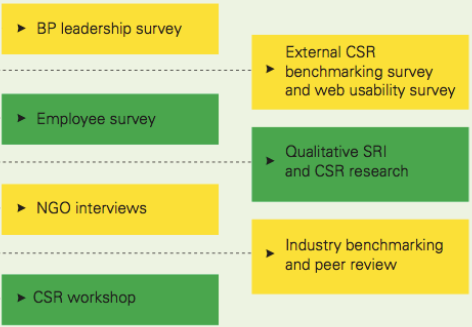
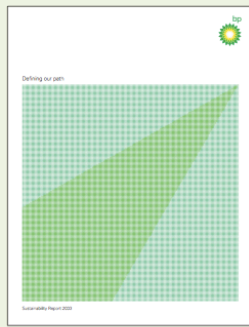
Looking from the inside out, we identify material issues as those having a potentially major impact on the delivery of our strategy as well as those identified through risk management, a standard part of our operating processes. Risks are monitored and formally reviewed on an annual basis, including those that can affect operations and those that can affect our licence to operate, which in turn depends on the support and trust of many parties. We have also developed processes to become more responsive to external concerns, including a process of capturing all concerns that are represented in international media coverage, dialogue and engagement processes and peer review.

During 2004, the sustainability reporting working group convened two formal materiality workshops to assess the most material issues. The output of these sessions was a reporting materiality matrix. This was reviewed at senior management level before review by the Ethics and Environment Assurance Committee (EEAC) in January 2005.

Engagement on our reporting Our reporting is informed by an annual process of engagement with key groups of readers to assess their reaction to the content and presentation of our report. This feedback, conducted in the three months after publication in April, forms an important stage in the planning of the following year's report.

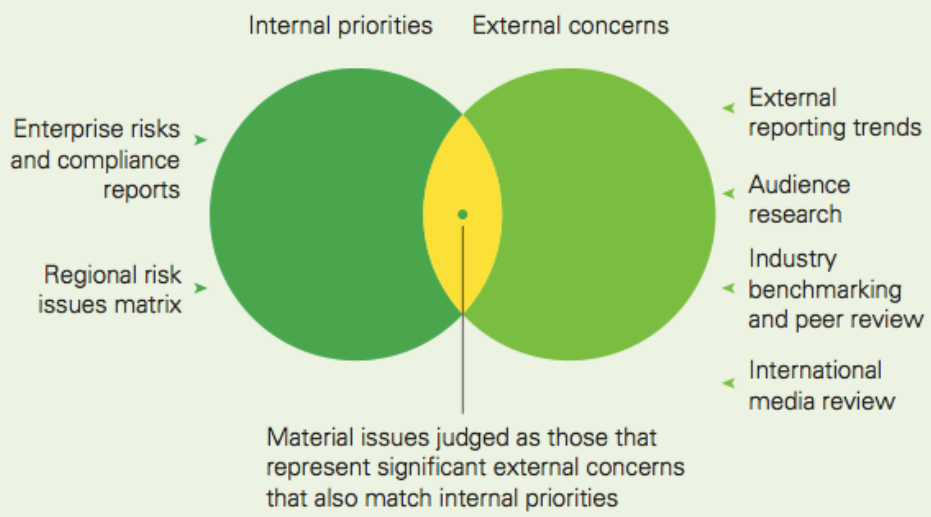
The decision to advance our reporting by creating a more integrated Sustainability Report was the result of a number of 'blue sky' workshops conducted with Corporate Social Responsibility (CSR) professionals, NGOs and socially responsible investors (SRIs) in 2003. The insight gained from these sessions prompted the development of a 10-point improvement plan that covered content, process and communication. In 2004, stakeholder engagement on our sustainability reporting was conducted via survey, interview, benchmark studies and workshops across the UK, US and Germany. Participants included private shareholders, SRIs, CSR professionals, NGOs and employees. This feedback was then formally reviewed and an action plan agreed for the next report.

Sustainability reporting research

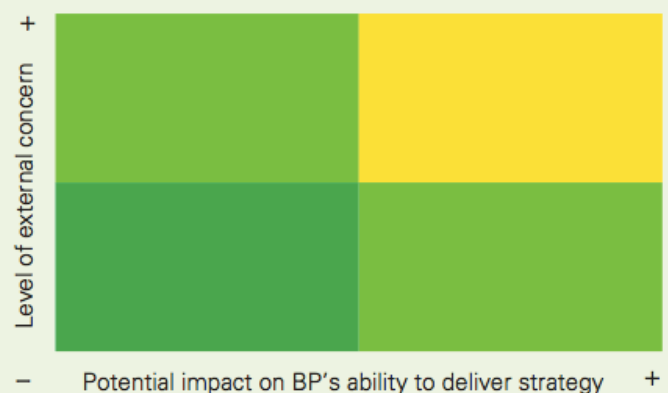


Specific observation from Ernst & Young
 In our feedback to BP management last year we highlighted that the process for determining which issues should be included within the Sustainability Report could be improved. In 2004 the process has been improved and documented.

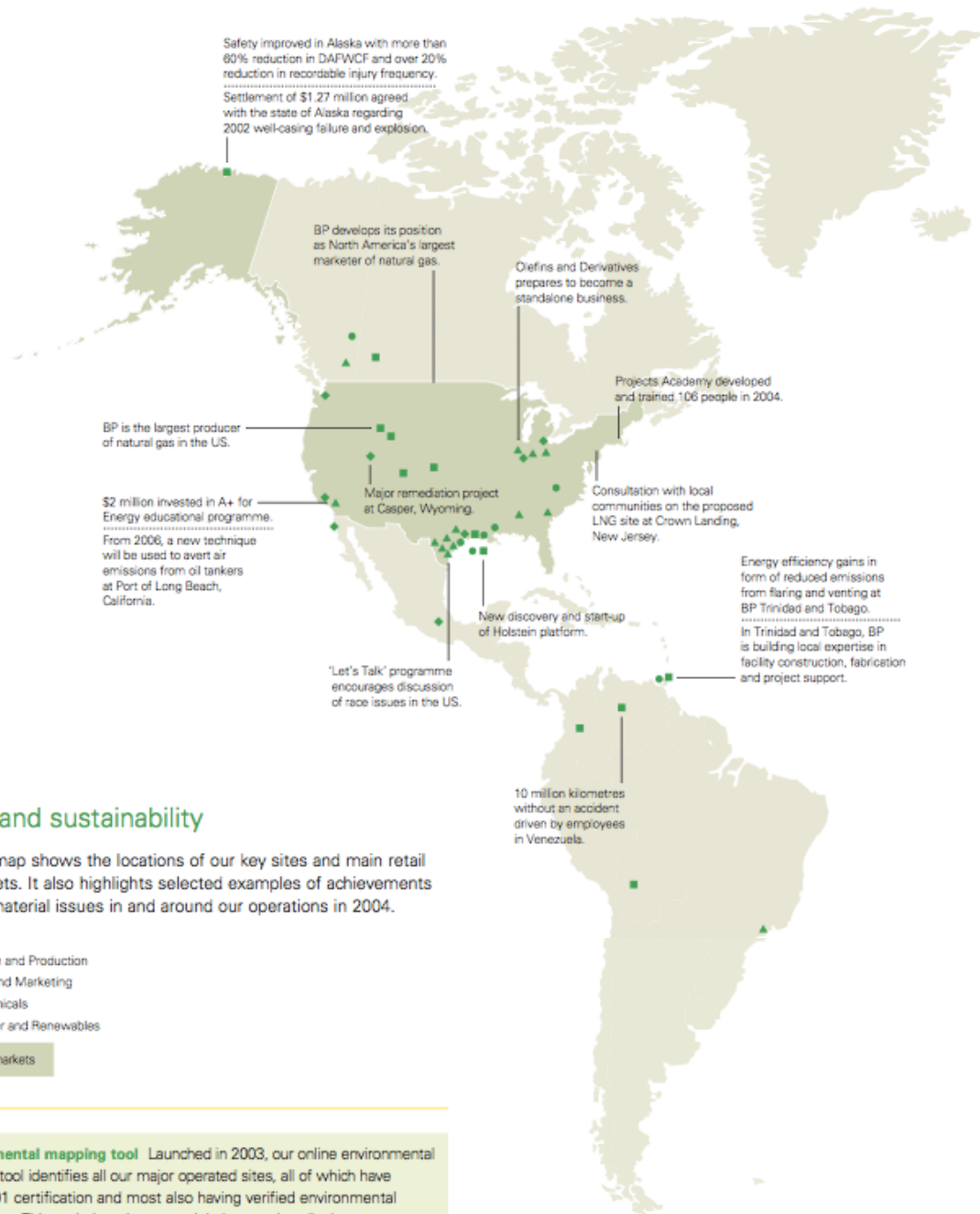
A systematic approach to materiality



Identifying material issues



- Issues identified for inclusion in the printed report
- Issues for inclusion on our website www.bp.com/environmentandsociety
- Issues identified as not material for external reporting in 2004



BP and sustainability

This map shows the locations of our key sites and main retail markets. It also highlights selected examples of achievements and material issues in and around our operations in 2004.

- Exploration and Production
- ◆ Refining and Marketing
- ▲ Petrochemicals
- Gas, Power and Renewables

Key retail markets

Environmental mapping tool Launched in 2003, our online environmental mapping tool identifies all our major operated sites, all of which have ISO 14001 certification and most also having verified environmental statements. This tool plots these on global maps that display environmentally sensitive areas or hot spots and track how sites manage biodiversity, air quality, access to fresh water, water quality and waste.

www.bp.com/hsemappingtool

