

BG Group summary of performance

CONDUCT

Business Principles

We act with integrity, fairness and transparency

We comply with legal, regulatory and licence requirements

We do not tolerate corruption in any form, whether direct or indirect

Our investment criteria take account of economic returns, environmental impacts, social consequences and human rights

High standards of corporate governance are integral to the way we manage our business

Our targets in 2007

- Introduce Group-wide online Business Principles training tool
- Run pilot project to monitor compliance of key contractors with our Business Principles
- Work with key contractors to extend this project to the monitoring of sub-contractors
- Launch a revised Whistleblowing Policy
- Implement the findings of the 2006 assurance process review
- Review Anti-Corruption Standard following first year of operation
- Hold Local Content Workshops with stakeholders in key assets. Continue to implement appropriate Local Content Development strategies
- Continue to evaluate and report on the performance of the CR Committee

OUR PEOPLE

We treat people with fairness, respect and decency

We help employees develop their potential

We believe that all injuries are preventable

We provide healthy, safe and secure work environments

- Continue to feed back Group-wide employee survey results and respond to findings
- Roll out Equality and Diversity briefings across the Group
- Develop and roll out Core Curriculum of training and development courses open to all employees
- Develop a programme to increase the emphasis on management training and development through the Group at all levels
- Develop a process to support the implementation of the BG Group Life Savers programme
- Strengthen the Group HSSE audit process to provide independent assurance that the key HSSE risks have been identified and appropriate controls are being effectively implemented
- Develop health guidance and occupational health manual

These pages include BG Group's CR targets for 2008. Among them (indicated in bold) are objectives which we believe require ownership at a Group Executive level. Each of these are therefore being led by a member of the Group Executive Committee. More detail can be found on page 15.

Actions taken in 2007

- ✓ Group-wide online Business Principles training tool completed. During 2008, a programme to roll out the training tool will occur
- ? Pilot project initiated but not completed. Work carried out to date detailed on page 15
- ✗ Postponed until key contractor compliance achieved. See page 15
- ? Whistleblowing Policy revised, to be launched and rolled out in 2008. See page 18

? Reported on page 42

✓ Standard reviewed and areas for modification highlighted

? Workshops held in Nigeria and Trinidad and Tobago. Workshops were used to develop appropriate strategies which will be applied in 2008

✓ Evaluation completed using external specialist. Findings reported on page 18

Our targets in 2008

- Carry out a structured programme of internal audits focusing on Business Principles
- **Hold four contractor workshops with 30 or more of our top-tier contractors on compliance with our Business Principles**
- Raise awareness of Business Principles among key first tier sub-contractors
- Launch and roll out revised Whistleblowing Policy
- Roll out further training on key areas of legal compliance
- Review the suite of Standards which contribute to managing conduct (which includes the Anti-Corruption Standard)
- Roll out further Anti-Corruption training
- **Establish Standards and Guidelines for Local Content Development**
- **Carry out initiatives to develop local contractor capability in two key assets**
- Strengthen the risk management process at project level to ensure this is incorporated into the assurance processes more effectively

✓ Communications sessions held with staff at most locations and action plans drawn up

? Briefings held in the UK but not globally. Equality and Diversity to be covered in the new online Business Principles training tool

✓ Core Curriculum of training and development activities open to all employees developed and rolled out

✓ Included in the Core Curriculum above

✓ New Standards introduced for each Life Saver to support implementation. Awareness campaign launched

✓ Group HSSE audit process revised with new framework, supported by tools, protocols and training. Fixed timelines and reporting structure in place, with key findings to be reported to the HSSE Committee

✓ Four Health Standards developed. Each of these includes documents giving specific guidance on implementation. These and other Guidelines were collected into a comprehensive Health Manual available electronically

• Achieve response rate for 2008 Group-wide employee survey of above 60%

• Implement Group-wide online induction tool for new employees

• **Pilot individual profiling to identify succession candidates**

• **Build development course options for technical departments**

• Strengthen incident investigation process to improve root cause analysis and consolidation and dissemination of lessons learned

• Develop safety leadership competency across the organisation through a structured programme of engagement and training

• Develop and roll out Guidelines to support the Contractor HSSE Management Standard and engage with assets to improve contractor performance

• Ensure all operating assets develop and maintain an operational safety case to demonstrate that the risks are As Low As Reasonably Practicable (ALARP)

• Develop a competency framework for occupational health and safety

• Ensure that all operated assets perform gap analysis for new HSSE Standards

BG Group summary of performance continued

SOCIETY

Business Principles

We work to ensure that neighbouring communities benefit from our presence on an enduring basis

We listen to neighbouring communities and take account of their interests

We support human rights within our areas of influence

Our targets in 2007

- Update Community Relations Toolbox in response to feedback and to include additional tools
- Continue training for all community relations staff at operated facilities
- Use Toolbox to develop Community Relations Plans at all operated assets
- Integrate sustainable development criteria into business processes
- Establish formal community grievance procedures at all assets
- Establish community Stakeholder Engagement Plans as part of asset/operation community relation plans
- Revise guidance on basis of UN Human Rights Council decision on Human Rights and Transnational Corporations
- Roll out human rights training across the Group

ENVIRONMENT





We make a positive contribution to the protection of the environment



We go beyond compliance with local environmental regulation to meet internationally accepted best practice



We reduce to the minimum practicable any adverse effects of our operations on the environment

- Continue quantification of positive contributions of the core business to reducing greenhouse gas (GHG) emissions
- Embed EnCompass tool within the business through training and awareness
- BG Trinidad and Tobago (onshore) to certify EMS to ISO 14001
- Further embed Enhanced GHG Management programme into the business

Actions taken in 2007

-  Community Relations Toolbox incorporated into a new Social Performance Governance Framework, which includes Guidelines that build on the Toolbox
-  Postponed to allow training to include new Social Performance Governance Framework. Training in IFC Performance Standards carried out at Group and for key assets
-  Ten Community Relations Plans completed. Seven incomplete or partially complete
-  Sustainable development criteria integrated through the Social Performance Governance Framework, approved by the GEC and CRC, ready for roll out in 2008

-  Grievance procedures in place in six assets, partially completed or incomplete in 11 assets
-  Included in the Community Relations Plans; ten complete, seven incomplete or partially complete


-  Guidance revised
-  Training package to support human rights management system under development. Workshop training delivered for Kazakhstan asset. Asset security managers briefed on the implementation of the Voluntary Principles on Security and Human Rights with further training to follow in 2008



Our targets in 2008


- Roll out Social Performance Governance Framework for priority assets, including implementation plans for compliance with the Social Performance Standard
- Develop Social Performance metrics and carry out a pilot programme
- Carry out Group-wide assessment of social investment practice and develop revised Social Investment Guidelines

- Review Stakeholder Engagement Plans and practice against the Social Performance Standard in priority assets to ensure compliance

- Complete human rights risks assessments in high-risk countries of operation
- Implement the new Guidelines on the Voluntary Principles on Security and Human Rights in high-risk countries of operation


-  Emissions effect of Indian gas distribution businesses completed. Methodology for quantifying effect of gas supply to other distributed markets continues to be developed


-  Training of HSSE and project staff in EnCompass carried out. EnCompass now being used on some key projects
-  Delays to plant commissioning prevented certification in 2007. To be carried out in 2008


-  GHG reduction targets set at Group and asset level. Programme being used to reduce GHG emissions of future developments through enhanced design

- Update biodiversity strategy
- Complete methodology for quantifying effect of gas supply to distributed markets
- Introduce Resource Use and Waste Management Standard
- Roll out Environmental Competency Framework and identify practitioner skill gaps
- Review asset ISO 14001 systems for consistency/best practice

- Achieve additional GHG emission reductions of 244 000 tonnes as part of our 2012 target (see page 39), and ensure that the 2007 GHG reductions are maintained
- Develop detailed plan to achieve 2012 target of one million tonnes of sustainable GHG emission reduction

 **Signifies completed**
We worked on this target during 2007 and have now completed all the associated tasks

 **Signifies ongoing**
We made some progress on this target during 2007 but have not completed all the associated tasks

 **Signifies not completed**
Note: the 2007 target may no longer be relevant due to changed circumstances