



BP's Advancing Low Carbon accreditation programme



Introduction

BP's Advancing Low Carbon accreditation programme is designed to encourage every part of BP to identify lower carbon opportunities. It does this by providing a framework to highlight activities by BP and BP partners that demonstrate what we describe as a better carbon outcome.

Activities from all aspects of BP's business are eligible, including products, operations, investments and ventures. Activities can be undertaken by BP itself or in partnership with others.

To be recognised within the programme, each activity must meet a set of stringent criteria developed by BP. Our external assurance provider, Deloitte LLP, assesses the programme and criteria and independently assures the activities and greenhouse gas (GHG) savings or offsets within it.

Activities that achieve accreditation within BP's Advancing Low Carbon accreditation programme are awarded our Advancing Low Carbon mark. This can be used by the activity as appropriate in their communications and branding for the period of their accreditation.

This document aims to provide further detail on our programme – including the criteria, process design and application.

Activities included in the programme

Activities from across BP are eligible to apply. These must be activities which deliver what we describe as a better carbon outcome:

- In our operations - for example in our upstream and downstream businesses.
- Through our products and services which help customers lower their carbon footprint – for example through fuels, lubricants and petrochemicals.
- Through low-carbon businesses – for example our renewables businesses.

Activities that may not have a direct quantitative emissions impact immediately but instead contribute to advancing low carbon by developing new low carbon technologies, supporting scientific and academic research or driving action on carbon via partnerships and collaborations are also eligible. Activities can be delivered by BP or a BP partner.

Accreditation process and governance

An overview of the accreditation process is set out below.



STEP 1: Potential eligible activities are identified through discussions with BP businesses and subject matter experts.

STEP 2: Business areas with eligible activities submit an application(s) to the ALC programme and provide the required evidence. Applications are made based on the ALC criteria and supporting guidelines as summarised below.

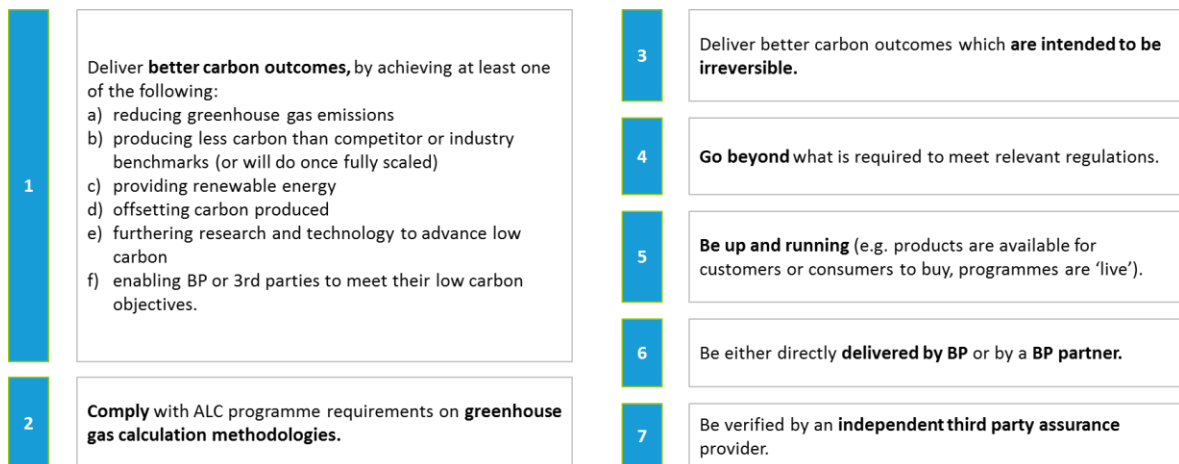
STEP 3: The ALC team and internal experts review submitted activities against the criteria, assess whether methodologies meet required standards where relevant and whether information provided is consistent and complete.

STEP 4: Members of the BP Target Neutral Advisory and Assurance Panel review the ALC programme and activities and provide external challenge and advice.

STEP 5: Our external assurance partner, Deloitte LLP, assesses the activities on an annual basis to provide assurance that the ALC process has been followed, criteria met, and where appropriate that the methodologies have been correctly applied in estimating GHG savings and offsets within the programme. Deloitte also reviews the communication of all the ALC activities and ALC accreditation programme via the ALC webpages and BP's corporate reporting materials to ensure that this reflects the evidence they have been provided.

STEP 6: Activities that BP consider to have successfully passed through the application and assurance process are accredited and become part of the ALC programme for the 12 month accreditation period.

Advancing Low Carbon accreditation criteria and general principles



All activities are verified against the seven criteria listed above. These criteria have been developed by BP for use in our programme and assessed by Deloitte LLP. GHG calculations and communications related to the activities are also requested to be in accordance with the following over-arching principles based on GHG Protocol Reporting and Accounting Standards¹:

- **Completeness:** reported information should be complete with respect to the normal accounting boundary of the reporting unit, the scope of information required and any guidance on boundaries provided.
- **Accuracy:** information should have a high level of accuracy that is consistent with the intended use of the data.
- **Consistency:** reported data for activities should be comparable year-on-year and in the long term.
- **Transparency:** all required information, processes and any changes are clearly documented.
- **Relevance:** data and information are what is required for the stated purpose, whether that be internal or external.

Meeting the ALC criteria requirements

As part of the accreditation process, each activity must gather evidence to demonstrate it has met all seven ALC criteria. Each criterion has its own set of requirements, thresholds and methodologies as summarised below.

Criterion 1: deliver better carbon outcomes

Each activity must meet at least one of the 'better carbon outcomes' defined by the programme:

- reducing GHG emissions
- producing less carbon than competitor or industry benchmarks (or will do once fully scaled)
- providing renewable energy
- offsetting carbon produced

¹ <http://www.ghgprotocol.org/sites/default/files/ghgp/standards/ghg-protocol-revised.pdf>

- e) furthering research and technology to advance low carbon
- f) enabling BP or 3rd parties to meet their low carbon objectives

For activities eligible under Criteria 1(a) – 1 (d):

- All measurements or estimations must be based on CO₂ equivalents (CO₂e), in metric tonnes.
- All emission reductions and the project activities that generate them must be proven to have genuinely taken place, and the emission reductions must have happened within the life of the activity.

For activities eligible under Criterion 1(e):

- No quantitative data is required; however, activities must provide qualitative evidence or other forms of quantitative evidence according to the requirements specified.

For activities eligible under Criterion 1(f):

- Applications can submit quantitative data if available. If this is not possible, activities must provide qualitative evidence or other forms of quantitative evidence according to the requirements specified.
- All measurements or estimations must be based on CO₂ equivalents (CO₂e), in metric tonnes.

Criterion 1a: Reducing GHG emissions

GHG reductions represent the difference between emissions emitted during the reporting period and expected emissions for the same period had the activity not taken place. To meet this criterion, a minimum saving of 1,000 tonnes CO₂e must be achieved over the period of a year in which the activity is fully operational.

Activity emissions must be calculated following ALC programme requirements as per Criteria 2.

Criterion 1b: Producing less carbon than competitor or industry benchmarks

In line with principles from [ISO 14021's](#) requirements on comparative claims, any comparative claim must be:

- quantified and calculated using the same units of measurement and on the same basis
- based on the same functional unit
- calculated over an appropriate time interval for the time the activity has been operational.

To meet criterion 1b, a minimum saving of 1,000 tonnes CO₂e must be achieved compared to the benchmark over the period of a year in which the activity is fully operational. Activities yet to be fully operational (e.g. pilots within a single geographic market) may be eligible provided:

- the business is committed to scaling the activity
- once at full scale, the activity will achieve minimum saving of 1,000 tonnes CO₂e compared to the benchmark over a 12 month period.

Benchmarks are reviewed on an annual basis. Activity emissions must be calculated following ALC programme requirements as per Criterion 2.

Criterion 1c: Providing renewable energy

Activities meeting this criterion include renewable energy from wind, solar, bioenergy, geothermal and marine (tidal and wave).

The activity must have a minimum saving of 1,000 tonnes CO₂e over a period of 12 months compared to an average carbon intensity alternative. To quantify these GHG emission savings, BP has developed methodology using globally recognized and respected references which follow the [ISO 14040:2006](#) standard on life cycle assessment.

This is as follows for wind and biofuels:

- Wind: net CO₂ avoided due to the displacement of grid average power (in US sub-grids where BP's wind farms are located) by BP's US Wind power generation.
- Biofuels: CO₂ equivalent emissions avoided due to the displacement of fossil gasoline with sugarcane ethanol on an energy equivalent basis.

Criterion 1d: Offsetting carbon produced

Offsetting is the practice of compensating for GHG emissions by purchasing and retiring carbon credits². If the activity wishes to be accredited under this criterion, its offsets must be applied in the context of a broader carbon management plan; not in isolation, and must lead to the retirement of at least 1,000 CO₂e tonnes over 12 months in the accreditation year if fully operational. Activities yet to be fully operational (e.g. pilots within a single geographic market) may be eligible provided:

- the business is committed to scaling the activity
- once at full scale, the activity will achieve a minimum offset of 1,000 tonnes CO₂e.

All carbon neutral projects must follow the [ICROA code of best practice](#). GHG emissions from products should be calculated using the [GHG Protocol Product Standard](#) and the GHG emissions from operations should be calculated using the [GHG Protocol Corporate Standard](#). GHG offsets are required to follow the methodology defined in [PAS 2060](#).

² As defined per the International Carbon Reduction and Offset Alliance (ICROA)

Criterion 1e: Furthering research and technology to advance low carbon

Accredited activities that fall within this criterion include those that advance low carbon through investing in new lower carbon technologies, supporting independent research or helping the industry to take action on low carbon.

The accredited activity must provide evidence of the following:

- the specific areas of research or understanding included, for example:
 - details of new low carbon technologies developed
 - how research or understanding has been furthered to advance low carbon
- the nature of BP's role / contribution
- how this new research / understanding / technology has been demonstrated and how it relates to the activity's objectives. This can include:
 - publicly available/ published peer reviewed journals
 - reports on the project website
 - presentations at an international conference
 - new technologies or materials developed
 - initiatives implemented
 - action implemented at BP / across the industry as a result of the findings.

Each activity must demonstrate BP's clear support either financially or with support in kind.

Criterion 1f: Enabling BP or third parties to meet their low carbon objectives

This criterion refers to activities which provide a mechanism that enables BP or 3rd parties to be able to meet their low carbon objectives, whether set by regulators or by the organisation.

If an activity falls within this criterion, the following evidence must be provided:

- the specific mechanism developed (e.g. programme or market place)
- the nature of BP's role / contribution
- how this mechanism enables BP or 3rd parties to meet their low carbon objectives, for example by helping to:
 - reduce GHG emissions
 - produce renewable energy
 - offset carbon produced.

Although no quantitative data is required to accredit these activities, if a GHG saving or offset is to be reported, a clear methodology is required to be detailed in the ALC application form and must follow ALC programme requirements on GHG calculations methodologies where relevant.

For example, for forestry projects, volumes of offsets must be issued by an appropriate authority (e.g. [Compliance Offset Program](#) by the California Air Resources Board). Any offsets used for BP's own compliance requirements must be removed and no double counting must have taken place from the previous year.

Criteria 2: Comply with ALC programme requirements on GHG calculation methodologies

For savings and offsets calculations, one of the appropriate methodologies must be followed according to the activity type as set out below:

- *GHG product emissions:* [PAS 2050](#) or [GHG Protocol Product Life Cycle Accounting and Reporting Standard](#).
- *GHG operations emissions:* [GHG Protocol Corporate Accounting and Reporting Standard](#) or BP's environmental performance reporting requirements which are broadly consistent with IPIECA industry guidelines.
- *Offsets:* As relevant, [PAS 2060](#) or offset-trading scheme methodologies (e.g. [Compliance Offset Program](#) by the California Air Resources Board) or [ICROA Code of Best Practice](#).
- If the standard is not followed directly, evidence must be provided to show how the methodology aligns with the principles of the relevant standard.

Criterion 3: Deliver better carbon outcomes which are intended to be irreversible

Accredited activities are undertaken with the intention for all emission reductions to be irreversible. Examples include carbon capture and storage that intends to be permanent, avoided emissions from fuel savings or the use of renewables.

Criterion 4: Go beyond what is required to meet relevant regulations

The activity's associated GHG emissions and carbon outcomes achieved must exceed minimum thresholds set out in any applicable legislation or regulations. This refers to known national or international legislation or regulations that are relevant at the time of the accreditation and does not relate to the use of economic incentive programmes by regulators. Where there are no applicable regulations, voluntary activity is considered as going beyond what is required.

Criterion 5: Be up and running

This criterion requires the activity to be live on the date of submission and accreditation, with no intention of discontinuing the activity.

'Up and running' is defined as follows:

- *Products and services:* the activity must be available for purchase.
- *Operations:* the activity must in use as part of BP's on-going operations.
- *Partnerships:* contracts / agreements with relevant partners are current and activities are live.
- *Programmes:* programmes need to be operational.

Criterion 6: Directly delivered by BP or by a BP partner

If the activity is delivered by BP then it must involve (the use of) at least one of the following:

- sites and assets operated by BP or by a BP joint venture
- vessels for which BP holds the International Safety Management Document of Compliance (DOC)
- road vehicles, aircraft and rail transportation that are dedicated to BP's business use
- contractor drilling activities conducted on behalf of businesses under BP operational control
- emission sources on land owned or leased by BP for agricultural purposes and occupied by, or for the purposes of, BP's biofuels business
- products or services owned by BP
- programmes or projects managed by BP.

For BP's ALC programme, 'BP partner' refers to the wide range of organizations with which BP engages. These include: joint ventures in which BP has a minority stake and do not fit into the description in bullet (a) above, BPs sponsorship of academic institutions and partnerships, business customers, and non-profit organizations. If the activity is delivered by a BP partner, it will involve a material contribution from BP involving at least one of the following:

- investment by BP (of financial / facilities / human resources)
- BP equity stake
- application of BP's technology or other form of intellectual property (IP), provided BP can demonstrate full IP ownership rights.

Criterion 7: Verified by an independent third party assurance provider

The external assurance provider, Deloitte LLP, provides limited assurance to ISAE 3000 (Revised) standards, whilst considering ISAE 3410 for the GHG emissions, to assure all the criteria are met by the nominated activities - including the total GHG savings and offsets reported.

For further information on the external assurance of this programme, please refer to the [Deloitte assurance statement](#).

Period of accreditation

The ALC programme is an annual programme for BP and BP partner activities. The accreditation will apply for 12 months from the programme start date.

All activities included in the current year programme must reapply with the latest information and data to demonstrate they still meet the criteria.

We hope to grow our programme by encouraging and identifying new activities that we recognize as advancing low carbon.

Communicating the impact

Where quantitative savings or offsets have been calculated, these are communicated under each activity on the [ALC website](#). All emissions savings and offsets are estimated to two significant figures. These are shown on a 100% gross basis. This means the full saving or offset regardless of equity share. The figures are aimed at illustrating the impact of the programme as a whole rather than a quantification of specific savings made by BP or by BP partners. Details of each activity are available [here](#) with further information including equity shares where relevant available [here](#).

We estimate the total emissions saved or offset from the accredited activities using a variety of methodologies and baselines. The scope of accredited activities is wider than and unaligned with the scope of activities giving rise to emissions within BP's operational emissions boundary. Therefore, the figures are not directly comparable to BP's reported emissions.

Further information

Please contact the ALC team at advancinglowcarbon@bp.com if you have any questions or would like further information on the programme or accredited activities.