

BP deepens partnership with Elion on carbon offset programme in forestry sector

25 June 2018

BP and Elion Group (“Elion”) have deepened their partnership by signing a carbon emission purchase contract for Chinese Certified Emissions Reductions (CCERs) for the forestry sector.

Through the purchase of CCERs, BP will support the preservation of existing carbon stocks on nearly 1,400 square kilometres of desert oasis in the Inner Mongolia Kubuqi Desert. This agreement will also provide further support for Elion to develop further projects on ecological restoration in China. The Kubuqi Desert, the seventh largest desert in China, is 800 kilometers away from Beijing. To date, Elion has devoted 30 years to the restoration of Kubuqi’s ecosystem and has undertaken a number of national eco-projects, including the Three-North Shelter Forest Program, the 2022 Beijing Winter Olympics project, while expanding its business in Belt and Road countries.

“Our growing global environmental products business is investing in high-quality carbon offset projects worldwide,” said Dr Janet Kong, CEO Eastern Hemisphere, BP Supply and Trading. “BP has been actively participating in emissions trading in China since inception. We see its carbon markets continuing to grow and playing a more important role in emissions trading in the future. Through leveraging our global experience and industrial insights, we plan to continue to support customised carbon asset management to our Chinese partners, such as Elion as they pursue environmental and sustainable development.”

“Elion, as a leading eco-company in China, has developed the internationally recognised Kubuqi Model, which combines the support of government policies and investment from private sectors,” says Wang Wen Biao, chairman of Elion Group. “I see it as a platform to attract business partners worldwide to participate in Chinese markets.”

Elion is helping to accelerate the development of China green finance, through the design and deployment of tools to help promote social capital investment into local environmental projects. This new collaborative effort between BP and Elion showcases how highly innovative commercial arrangements help support the development of this industry. Through its investment in projects that reduce emissions and generate environment credits, BP’s Global Environmental Products business uses these environmental credits in carbon pricing systems around the world.

“The partnership between BP and Elion provides an exciting platform for both parties to further contribute to the development of China’s emission reduction programs,” Dr Xiaoping Yang, president of BP China, stated. “As a trusted energy partner, BP is committed to participating in China’s energy

transition to a lower carbon future by promoting technological innovation and working in collaboration with local partners.”

BP is committed to a lower carbon future and published the report, Advancing the Energy Transition, in April, which details BP’s framework for delivering this commitment: reducing greenhouse gas emissions in its operations, improving its products to help customers reduce their emissions, and creating low carbon businesses.

Notes to editors

- BP is one of the leading foreign investors in the Chinese oil and gas sector. BP’s business activities in China include oil and gas exploration and development, petrochemicals manufacturing and marketing, aviation fuel supply, oil products retailing, lubricants blending and marketing, oil and gas supply and trading, LNG terminal and trunk line operation and chemicals technology licensing. Building on its business successes in China, BP has also expanded partnerships with Chinese national energy companies internationally. Further information about BP China is available on www.bp.com.cn.
- BP’s Advancing the Energy Transition is a new report detailing the organization’s low carbon plans. The Advancing the Energy Transition report can be read at: www.bp.com/energytransition.
- BP’s Sustainability Report 2017 can be read at: www.bp.com/sustainability.
- BP has launched a new accreditation programme to verify and lower carbon activities. More details on the Advancing Low Carbon programme and the individual accredited activities can be seen at: www.bp.com/advancinglowcarbon.

Founded in 1988, Elion Group is a UN-recognized Chinese leading company and a world leader in ecological restoration and desertification control, as evaluated by the UN Environment, Elion has created more than RMB 500 billion of ecological wealth over the past 30 years based on the eco-restoration and business model in Kubuqi desert. Further information about Elion is available on www.elion.com.cn.

Further information

BP press office, London: +44 (0)20 7496 4076, bppress@bp.com

Cautionary statement

In order to utilize the ‘safe harbor’ provisions of the United States Private Securities Litigation Reform Act of 1995 (the ‘PSLRA’), BP is providing the following cautionary statement. This press release contains certain forward-looking statements – that is, statements related to future, not past events and circumstances – which may relate to one or more of the financial condition, results of operations and businesses of BP and certain of the plans and objectives of BP with respect to these items. These statements are generally, but not always, identified by the use of words such as ‘will’, ‘expects’, ‘is

expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see' or similar expressions. Actual results may differ from those expressed in such statements, depending on a variety of factors including the risk factors set forth in our most recent Annual Report and Form 20-F under 'Risk factors' and in any of our more recent public reports.

Our most recent Annual Report and Form 20-F and other period filings are available on our website at www.bp.com, or can be obtained from the SEC by calling 1-800-SEC-0330 or on its website at www.sec.gov.