



BP's Advancing Low Carbon accreditation programme

2020



Introduction

BP's Advancing Low Carbon accreditation programme is designed to encourage every part of BP to identify lower carbon opportunities and support our new ambitions and aims. Through accreditation, the programme identifies activities that are:

- Reducing emissions in our own operations
- Improving our products to help customers lower their emissions
- Creating low carbon businesses

To be recognised within the programme, each activity must deliver what we describe as a better carbon outcome, and meet a set of specified criteria developed by BP. Our external assurance provider, Deloitte LLP, assesses the programme and criteria and independently assures the accreditation of the activities and greenhouse gas (GHG) savings or offsets within the programme.

Activities that achieve our accreditation within BP's Advancing Low Carbon programme are awarded our Advancing Low Carbon mark. This mark is used to identify activities that BP has accredited and can then be used in associated communications and branding, where appropriate.

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

Activities included in the programme

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.

Activities may have a direct quantitative emissions impact through savings or offsets or may 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. Activities can be delivered by BP or a BP partner. All activities must meet all programme criteria.

Accreditation process and governance

The accreditation process is set out below.



STEP 1: BP businesses identify potential activities that may be eligible for the programme.

STEP 2: Business areas with eligible activities submit an application(s) to the ALC programme and provide the required supporting 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, verifiable and complete. Our Carbon Steering Group also regularly reviews progress at a higher level and provides oversight of the programme.

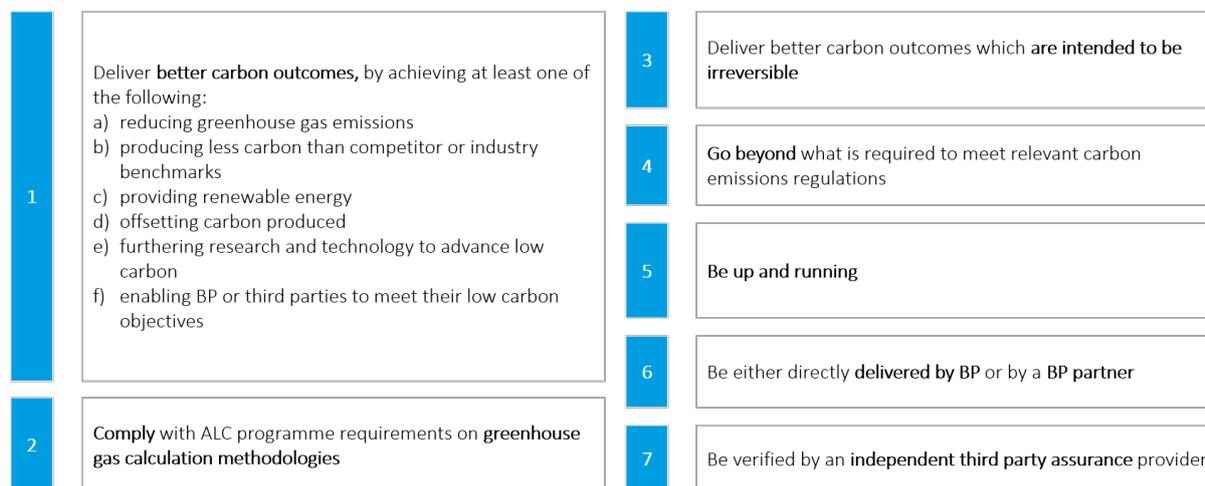
STEP 4: Members of our external advisory panel review the ALC programme and activities and provide external guidance and advice.

STEP 5: Deloitte LLP conducts independent assurance on the Advancing Low Carbon activities, including assessing the application of BP’s process and criteria for accrediting activities, and GHG emissions offset and saved within the programme.

STEP 6: Activities that BP considers having successfully passed through the application and assurance process are accredited under our ALC programme for a 12 month accreditation period.

Advancing Low Carbon accreditation criteria and general principles

All activities are verified against the criteria listed below. These criteria were 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

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

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 demonstrate it has met all seven ALC criteria. Each criterion has its own set of requirements 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:

- a) reducing GHG emissions
- b) producing less carbon than competitor or industry benchmarks
- c) providing renewable energy
- d) offsetting carbon produced
- e) furthering research and technology to advance low carbon
- f) enabling BP or third 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 taken place, and the emission reductions must have occurred within the life of the activity.
- A minimum saving or offset of 1,000 tonnes CO₂e must be achieved. An exception may be made for activities yet to be fully operational (e.g., pilots within a single geographic market), provided:
 - the business has plans to scale 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.

For activities eligible under Criterion 1(e):

- No quantitative data is required; however, such data can be submitted. Activities must provide qualitative evidence or other forms of quantitative evidence according to the requirements specified.

For activities eligible under Criterion 1(f):

- Applications should submit quantitative data, if relevant.
- All measurements or estimations must be based on CO₂e, in metric tonnes. Activities must meet the same thresholds as specified for 1(a) to 1(d).
- If quantitative data is not relevant, activities must provide qualitative evidence according to the requirements specified.

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.

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

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 for example renewable energy from wind, solar, bioenergy, geothermal and marine (tidal and wave).

Please refer to the ALC [activity table](#) for a summary of the methodologies used.

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 should be applied in the context of a broader carbon management plan.

The carbon footprint from products should be calculated in line with GHG Protocol Product Standard or the PAS 2050 standard and the carbon footprint from operations should be calculated in line with the GHG Protocol Corporate Standard. Offsets must follow the International Carbon Reduction and Offset Alliance (ICROA) code of practice and all carbon neutrality claims must follow international standards such as the British Standards Institute's PAS 2060 Standard or Australia's National Carbon Offset Standard (NCOS).

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 through partnerships or established programmes. Each activity must demonstrate BP's clear support and involvement either financially or with support in kind. No quantitative data is required to accredit this activity, although it can be submitted if relevant.

The accredited activity must provide evidence of the following:

- the specific areas of research, knowledge, technology or partnership action included, for example, details of:
 - new low carbon technologies developed
 - areas of research to advance low carbon
 - partnerships committed to take action to advance low carbon
- how this new research / understanding / technology has helped advance low carbon. This can include:
 - publicly available/ published peer reviewed journals
 - reports on the project website
 - presentations at an international conference
 - new technologies or materials developed
 - low carbon initiatives implemented
 - demonstrable commitments to action.

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 third parties to be able to meet their low carbon objectives, whether set by regulators or themselves.

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 third parties to meet their low carbon objectives, for example by helping to:
 - reduce GHG emissions
 - produce renewable energy
 - offset carbon produced.

Although it is not mandatory to have quantitative data under this criterion, if a GHG saving or offset is to be reported, a clear methodology must be detailed in the ALC application form and must follow ALC programme requirements on GHG calculations methodologies, where relevant.

For example, for forestry projects, offsets must be issued by an appropriate authority and satisfy an appropriate protocol (e.g., the California Air Resources

Board's 'Compliance Offset Protocol - U.S. Forest Projects'). 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.
- *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. For example, carbon capture and storage should intend to be permanent.

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: 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 partnerships with clear BP involvement.

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, BP's 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 6: Be up and running

This criterion requires the activity to be live on the date of the ALC application as well as for the full 12 month period of accreditation, with no intention of discontinuing the activity.

'Up and running' examples include:

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

Criterion 7: Verified by an independent third party assurance provider

Deloitte LLP assures the activities on an annual basis using a risk-based approach. This includes assuring whether the ALC process has been followed, programme criteria met, and where appropriate that the methodologies have been correctly applied in estimating GHG savings and offsets within the programme. Deloitte LLP also reviews any updates to the programme each year, as well as the communication of all the ALC activities and ALC accreditation programme via the ALC programme webpages and BP's Annual Report and Sustainability Report to assess that this reflects the evidence they have been provided.

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.

Communicating the impact

Where quantitative savings or offsets have been calculated, these are communicated for each activity in the case studies for each activity on bp.com.

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.

An estimate of the overall savings and offsets delivery by BP and BP partners since the programme began is also provided.

The total emissions saved or offset from the accredited activities are estimated using a variety of methodologies and baselines. The figures aim only to illustrate the impact of the activities within the programme, and delivered by BP or a BP partner only refers to the organization leading on delivering the activity. Savings or offsets may be claimed by or attributed to other parties. The scope of accredited activities is wider than, and does not seek to align with, our GHG reporting boundaries. Therefore, the figures are not directly comparable to BP's reported emissions.

[Short summaries](#) for each activity are available on bp.com/advancinglowcarbon and further information is shown in the [activity table](#).

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.