Why Biofuels

75% of proven oil reserves are in volatile parts of the world

70% of oil consumption is used for mobility

Transportation accounts for almost 20% of daily carbon emissions

Fuel consumption for transportation will grow 55% by 2030
Why Biofuels

3 billion people live at or below poverty, many of them in under-developed agrarian areas. Farmers in OECD nations are a potent political lobby.

European Common Agricultural Policy subsidies represent almost half of the EU budget in (€41b in 2008).

The United States wants to displace 15% of gasoline demand with biofuels in 10 years (35 billion gallons/year).

Future ligno-cellulosic biofuel products could reduce GHG impact of transport fuel by 90% and help countries meet targets.
BP’s approach to Sustainability

BP Principles

- Sustainability is core to BP’s involvement everywhere in the value chain and is an essential condition for long-term shareholder value creation.
- We support the development of mandatory reporting and certification standards. These standards must be globally mandated, monitored and enforced to transition the industry to more sustainable performance.
- There must be a global meta-standard to level the competitive playing field for all actors, facilitate product fungibility for low cost delivery, create a more reliable investing environment, and maintain public support.

Engagement Activities

- Member of the Roundtable on Sustainable Palm Oil (RPSO)
- Member of the Roundtable on Responsible Soy (RTRS)
- Member of the Council on Sustainable Biomass Production
- Member of the BIO Working Group (Washington DC)
- Member of EUROPIA Working Group
- Roundtable on Sustainable Biofuels: Steering Board
BP’s approach to Sustainability

• BP is putting in place **procedures and processes** for activities within its sphere of control – including procurement of and investment in biofuels production, to ensure that the environmental and social as well as the economic pillars of its biofuels business are underpinned.

• Beyond BP’s direct sphere of control, we seek to influence the **debate** and create understanding so that the **regulatory environment** (both at international and national levels).

• BP recognises that there are many **unknowns** in any new endeavour and takes a pro-active approach to assessing, learning from and tackling the risks as well as the many opportunities that biofuels present.

• Recognising the challenges involved in moving to a new generation of biofuels and the technologies to produce them, we are investing $500 million over 10 years in the **Energy Biosciences Institute (EBI)**, at which expert biotechnologists are investigating many possible applications of biotechnology to energy, including advanced fuels.
Conclusion & Objectives

- Be a leading voice for sustainability standards
- Understand the likely environmental and social impact of our planned biofuels operations
- Look for synergies between biofuels and food production, water management and power generation
- Implement inclusive business models that enable wealth generation among the communities where biofuels are produced.