



**Annual RTFO Carbon and Sustainability Report: Year  
3 (2010/ 2011)**

**Petroplus Refining Teesside Limited**

**Date 27 September 2011**

## Summary

This is the third report by Petroplus under the requirements of the Renewable Transport Fuels Obligation (RTFO) and shows that the company has met 1 out of the 3 targets required by the legislation. The level of data recorded has increased and the Green House Gas savings have exceeded 60%. The resources required to gather the required data remains to be a concern due to the time spent in pursuing the suppliers to provide verifiable data. Preparation and engagement for the RED and FQD requirements has been taking precedence and we have seen most product being "RED Ready" to generate RED compliant certificates for issue during the second half of year 3.



RJ Fenton  
Regional Manager  
UK and BENELUX



I S D Grime  
Business Development Manager  
RTFO Lead User

## 1. Introduction

This is the third annual report prepared by Petroplus Refining Teesside in accordance with the requirements of the Renewable Transport Fuels Obligation legislation.

This report details the aggregated information provided by Petroplus and its suppliers with regard to the carbon and sustainability aspects of the bio fuel provided for blending with the fossil fuels. Petroplus has blended both Ethanol and Bio diesel (mostly UCOME) throughout the year at the obligated levels

Petroplus has continued a proactive stance in working with its suppliers in order to provide the information required and also to have it verified.

This has had to be balanced with the commercial imperative of the business to provide these fuels in a cost effective manner. The main obstacle is the number of suppliers who still do not provide enough data on the environmental and social aspect of the reporting requirements; as a result many claims of compliance have had to be discounted by Petroplus and its verifiers.

## 2. Aggregate Summary

The tables 1 and 2 at annex1 show the aggregate summary of the bio fuels used by Petroplus in year 3 of the RTFO. The tables are:-

Table 1:-

Summary of feedstock mix; percentage of verifiable data reported; percentage of feedstock which meets the Qualifying Standards and/or RTFO full Biofuel Sustainability Meta-Standard; average carbon intensity and corresponding GHG savings.

Table 2:-

Carbon and Sustainability characteristics by feedstock.

## 3. Commentary

Petroplus Refining Teesside Ltd continues to strive to achieve the Carbon & Sustainability targets as defined by the RTFO.

On percentage data reported on biofuel characteristics; Petroplus reported greater than 85% representing a significant increase from last year. However year 3 has contained some legacy cargos from year 2 reducing the overall total. This increased level of data reporting from suppliers has been achieved through stringent contract requirements to remind and inform suppliers that the data is required.

The Environmental and Social data reporting has seen an increase of over 35% compared to the previous period, as a result of the effectiveness of the systems and the selection of feedstock.

The GHG savings have significantly increased and are in excess of the target, attaining greater than 60%. This has been achieved by close cooperation with suppliers who now are more aware of the UK and EU requirements.

Petroplus has maintained its position with regards to its involvement with the Roundtable on Responsible Soy and the Roundtable on

Sustainable Palm Oil. We have found that suppliers often declare membership of these organisations but fail to gain any approvals as they believe membership equates to compliance. Although Petroplus agrees with the ethics & principles of these organisations it remains unconvinced by the effectiveness or audibility of the systems both entities currently have in place.

Generally, Petroplus' commitment to raise awareness of low carbon fuels in the supply chain has continued. Carbon & Sustainability data sent to us by respective suppliers continues to be vigorously checked which involves contractual discussions with the supplier to prove the claims they make on Sustainability Certificates sent to us. If they are unable to produce what we deem an acceptable level or form of assurance we have to reject the claims until which time the supplier can provide evidence to substantiate their original claims. This makes the supplier better prepared to obtain a higher quality of data should we purchase product from them again.

We have further updated our biodiesel and bio ethanol Purchasing Specifications to reflect our commitment to the RTFO and both the RED and FQD legislation coming into force later in year 4. We are actively involved with potential suppliers to be prepared for this incoming legislation.

Petroplus has, and will continue to release resource within the organisation to explore biofuel and their individual merits. Focusing on feedstock and carbon and sustainability reporting we are confident we will be able to hold our position with the marketplace.

#### **4 Conclusions**

Petroplus has continued its support of this legislation and has worked enthusiastically with the RFA/Department for Transport, the Tax agencies, suppliers and other oil companies to ensure its best efforts in complying with the RTFO targets set.

Summary of feedstock mix: percentage of verifiable data reported; percentage of feedstock which meets the Qualifying Standards and/or RTFO full Biofuel Sustainability Meta-Standard; average carbon intensity and corresponding GHG savings.

Feedstock	General		Environmental	Social	Carbon	
	% Fuel supplied by feedstock type (by volume)	% Data reported on biofuel characteristics	% Meeting Qualifying and/or RTFO standard	% Meeting Qualifying and/or RTFO standard	Average carbon intensity g CO2e / MJ	Average % GHG saving
Biodiesel UCO						
Used cooking oil	100	100	100	100	14	83.3
Bioethanol						
Corn (Produced outside the EC)	31.8	75	0	0	60.6	27.7
Wheat (Fuel not specified)	18.1	81	29.1	0	48.1	42.6
Sugar cane	14.6	86.4	63.9	63.9	24	71.4
Corn (Community produced)	25	64.8	0	0	38.2	54.4
Triticale	0.2	75	0	0	62	26
Sugar beet	6.4	58.3	12	0	37	55.8
Molasses	3.9	100	100	100	61	27.2
Biodiesel ME						
Soya beans	66.1	67.6	0	0	58	30.8
Oilseed rape	10.5	74.7	0	0	52	37.9
Palm (Methane capture at mill)	15.1	68.8	0	0	68	18.9
Tallow	3.7	100	100	100	17	79.7
Used cooking oil	4.7	100	100	100	14	83.3
Weighted average (all fuels)		85.8	54.2	52.2	33.2	60.4
Target (2010/2011)		90	80	80		50

# ANNEX 1 Tables (Cont)

Table 2:- C&S characteristics by feedstock

General information			Sustainability information				Average carbon information	
% of total feedstock type	Feedstock origin	Standard	Env Level	Social Level	Land use on 01 Jan 2008	Carbon intensity incl LUC (g CO2e / MJ)	GHG saving (%)	
Used cooking oil								
6.6	France	By-product	QS	QS	By-product	14	83.3	
42.3	Netherlands	By-product	QS	QS	By-product	14	83.3	
20.6	Spain	By-product	QS	QS	By-product	14	83.3	
0.7	Austria	By-product	QS	QS	By-product	14	83.3	
13.5	Germany	By-product	QS	QS	By-product	14	83.3	
1.8	Portugal	By-product	QS	QS	By-product	14	83.3	
0	Poland	By-product	QS	QS	By-product	14	83.3	
0.1	Czech Republic	By-product	QS	QS	By-product	14	83.3	
4.6	Belgium	By-product	QS	QS	By-product	14	83.3	
0	United Kingdom	By-product	QS	QS	By-product	14	83.3	
9.5	United States	By-product	QS	QS	By-product	14	83.3	
0.2	Italy	By-product	QS	QS	By-product	14	83.3	
0	Switzerland	By-product	QS	QS	By-product	14	83.3	
Corn (Produced outside the EC)								
25.5	United States	Unknown			Cropland - non protected	56.5	32.6	
74.5	United States	Unknown			Cropland - protection status unknown	62	26	
Wheat (Fuel not specified)								
51.1	France	Unknown			Cropland - protection status unknown	56.1	33	
1.1	Sweden	Unknown			Cropland - protection status unknown	70	16.5	
4.9	United Kingdom	Unknown			Cropland - protection status unknown	70	16.5	
8.8	Denmark	Unknown			Cropland - protection status unknown	50.4	39.8	
		Assured Combinable Crops Scheme (ACCS)						
29.1	United Kingdom		QS		Cropland - protection status unknown	25	70.2	
5	France	Unknown			Unknown	70	16.5	

Table 2 (Cont):- C&amp;S characteristics by feedstock

General information		Sustainability information				Average carbon information	
% of total feedstock type	Feedstock origin	Standard	Env Level	Social Level	Land use on 01 Jan 2008	Carbon intensity incl LUC (g CO <sub>2</sub> e / MJ)	GHG saving (%)
<b>Soya beans</b>							
55.2	Argentina	Unknown			Cropland - protection status unknown	58	30.8
15.3	Germany	Unknown			Cropland - protection status unknown	58	30.8
5.9	Argentina	Unknown			Unknown	58	30.8
10.3	United States	None			Unknown	58	30.8
13.3	Argentina	None			Unknown	58	30.8
<b>Sugar cane</b>							
31.9	Brazil	RTFO Sustainable Biofuel Meta-standard	RTFO	RTFO	Cropland - non protected	24	71.4
32	Brazil	RTFO Sustainable Biofuel Meta-standard	RTFO	QS	Cropland - non protected	24	71.4
6.4	Guatemala	Unknown			Cropland - protection status unknown	24	71.4
1.8	Guatemala	Unknown			Unknown	24	71.4
16.3	Brazil	Unknown			Unknown	24	71.4
11.6	Brazil	Unknown			Cropland - protection status unknown	24	71.4
<b>Corn (Community produced)</b>							
12.4	France	Unknown			Cropland - protection status unknown	40.8	51.4
3	Germany	Unknown			Cropland - protection status unknown	43	48.7
4.1	Hungary	Unknown			Cropland - protection status unknown	43	48.7
40.9	Spain	Unknown			Unknown	33.5	60
21	France	Unknown			Cropland - non protected	40	52.3
18.6	Spain	Unknown			Cropland - protection status unknown	43	48.7
<b>Triticale</b>							
100	Poland	Unknown			Cropland - protection status unknown	62	26

# ANNEX 1 Tables (Cont)

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General information		Sustainability information				Average carbon information	
% of total feedstock type	Feedstock origin	Standard	Env Level	Social Level	Land use on 01 Jan 2008	Carbon intensity incl LUC (g CO <sub>2</sub> e / MJ)	GHG saving (%)
<b>Oilseed rape</b>							
35.5	Germany	Unknown			Cropland - protection status unknown	52	37.9
6.8	France	Unknown			Cropland - protection status unknown	52	37.9
44.7	Poland	Unknown			Cropland - protection status unknown	52	37.9
1.4	Unknown	Unknown			Cropland - protection status unknown	52	37.9
8.6	Ukraine	Unknown			Cropland - protection status unknown	52	37.9
0.4	Romania	Unknown			Cropland - protection status unknown	52	37.9
2.6	United Kingdom	Unknown			Cropland - protection status unknown	52	37.9
<b>Palm (Methane capture at mill)</b>							
64.9	Indonesia	Unknown			Cropland - protection status unknown	68	18.9
6.5	Indonesia	Unknown			Unknown	68	18.9
10.3	Malaysia	Unknown			Cropland - protection status unknown	68	18.9
18.2	Indonesia	None			Unknown	68	18.9
<b>Tallow</b>							
0.3	Belgium	By-product	QS	QS	By-product	17	79.7
6.9	Germany	By-product	QS	QS	By-product	17	79.7
8.8	Lithuania	By-product	QS	QS	By-product	17	79.7
22.7	Finland	By-product	QS	QS	By-product	17	79.7
47.2	Denmark	By-product	QS	QS	By-product	17	79.7
14.2	United Kingdom	By-product	QS	QS	By-product	17	79.7
<b>Sugar beet</b>							
9	France	Unknown			Cropland - protection status unknown	40	52.3
		Assured Combinable Crops Scheme (ACCS)					
12	United Kingdom		QS		Cropland - protection status unknown	15	82.1
79	Belgium	Unknown			Unknown	40	52.3
<b>Molasses</b>							
100	Guatemala	By-product	QS	QS	By-product	61	27.2



## **INDEPENDENT ASSURANCE STATEMENT**

To: **Iain Grime – Business Development Manager**

**Petroplus Refining Teeside Ltd**

**Petroplus House, St. Marks Court,**

**Teesdale, Stockton-on-Tees, TS17 6QW**

*This Independent Assurance Statement is given on 27 September 2011.*

### **RESPONSIBILITIES**

It was the responsibility of your company to prepare **the RTFO C&S Annual Report for the period 15 April 2010 to 14 April 2011** (the 'C&S Report').

It is the responsibility of Inspectorate International to provide you with assurance conclusions on this C&S Report.

### **THE CRITERIA**

The criteria used to perform our evaluation of the C&S Report are as follows:-

- Renewable Transport Fuels Obligation technical guidance parts 1 & 2 (Version 3.4 – May 2011, and Version 3.1 -, April 2010, respectively)
- RFA Guidance for verifiers (Version 3.0 – March 2011)
- ISAE 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (Dated January 2005)

We confirm that the RFA C&S Technical Guidance was the Source Criteria used by your company to prepare the C&S Report.

### **LIMITATIONS**

In determining that a limited level of assurance should be supplied, we have taken into account the requirements placed upon the audit by the rules of the scheme; in particular the guidance that data supplied by third parties should be subject to scrutiny by the reporting organization and its appointed auditors.

The degree of sampling conducted has been adequate to meet the requirements of limited assurance; however, this would need to be significantly greater in order to meet the requirements of reasonable assurance. Within the sampled supply chains, however, data

has been reviewed back in all cases to the primary source. Where questions have been left unanswered about particular supply chains the default position adopted has been to defer to an "Unknown" classification.

### **WORK PERFORMED**

The conduct of our audit involved examining, on a test basis, evidence to give us **limited assurance** that the amounts and disclosures relating to the C&S Report have been properly prepared. This included but was not restricted to a review and sampling of the following:

- Interviews with relevant personnel
- Monthly ROS Data and Reports
- Data management spreadsheets and data management systems
- Purchase contract documentation
- Bills of lading and related shipping documentation
- Out-turn reports
- Supplier declarations
- Interviews with suppliers where appropriate
- Third-party reports and certifications

### **ASSURANCE CONCLUSIONS**

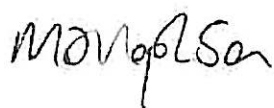
In our opinion, on the basis of the testing undertaken, nothing has come to our attention to suggest that the Petroplus Limited Annual Carbon and Sustainability Report to the DfT for reporting period 15 April 2010 to 14 April 2011 has not been properly prepared, in all material respects, in accordance with the documentation listed above.

### **FURTHER OBSERVATIONS**

The following comment(s) should be noted as observations. These should not be regarded as impacting upon the positive verification opinion given above:

- None

Authorised by:-



**Adrian Mason**

Business Development Manager