



Case Study – ISO 14064 Verification

LRQA verifies Repsol's Greenhouse Gas Emissions



About Repsol

Repsol YPF S.A. is an integrated Spanish oil and gas company with activities in exploration and production, natural gas and LNG trading and transportation, oil refining, petrochemicals and new energies. It is now the world's 15th largest petroleum refining company.

The numbers 2010

- Revenue €60.43 billion
- Profit €4.693 billion
- Over 43,000 employees
- Operations in 29 countries

Website

www.repsol.com

As a significant player within the Oil and Gas sector, Repsol YPF believes that it has a critical role to play in meeting the challenge of Climate Change. Conscious of the world's increasing demand for energy, the company is making great progress in the reduction of Greenhouse Gas (GHG) emissions and sees LRQA verification services as an essential element of an effective emissions reduction plan; helping the company to manage climate change challenges, systems and risks to improve and protect their current and future environmental performance.

Drivers for ISO 14064 at Repsol

As a participant in the EU Emissions Trading Scheme (EU ETS) Repsol has a requirement for its GHG emissions to be monitored, reported and verified. However, with operations in a number of countries outside Europe, Repsol's objective is to be able to adopt common procedures irrespective of location.

Repsol requires accurate reliable GHG emissions and reduction data that can be benchmarked both internally and externally, to inform an effective emissions reduction strategy. Furthermore, the identification and management of GHG-related risks and opportunities will be improved.

ISO 14064 provides an opportunity to verify installations for all GHGs; in addition to carbon dioxide, it also includes gases such as methane and nitrous oxide. For example, in 2010 Repsol's Spanish refining unit verified

these gases for the first time and other units plan on doing so in the future. Jaime Martin Juez is Director of Repsol's Environmental Footprint and Carbon Unit. He says, "We believed that both stakeholder requirements and regulatory demands would increasingly demand greater rigour and transparency in GHG reporting, so, in 2006, we decided to take action in order to adopt a leadership position in tackling climate change within the context of growing global energy demand."

Why verification to ISO 14064?

Repsol chose to have its systems, data and related claims verified for a number of important reasons. Firstly, in any company, the collection and reporting of such data represents an investment of time and resources. However, the value of this work is greatly enhanced by independent verification because it adds credibility and builds trust.

Repsol sends data to a wide variety of organisations and publishes such data through its own reports, so it is important that data is consistent, credible and transparent. For example, Repsol submits to the Carbon Disclosure Project (CDP) and has been included in the selective Climate Disclosure Leadership Index for communications and transparency regarding climate change. In addition, Repsol is ranked as the world leader in the Oil & Gas sector, obtaining the highest score on both the global and European indexes in the prestigious 2011 Dow Jones Sustainability Indexes (DJSI).

Why LRQA?

With operations in many countries, Repsol needed a partner with global capacity. However, as Jaime Martin Juez explains: "The most compelling reason for choosing LRQA was the experience of its staff; not just in the oil, gas and petrochemical sectors, but also in the verification of GHG emissions."

Benefits of ISO 14064

The verification process provides a deeper understanding of an organisation's emissions and Repsol believes that this has become an important driver for continuous improvement. At Repsol, energy efficiency is extremely important and experience has shown that monitoring, reporting and verification activities have helped to uncover new opportunities for emission reduction, which in turn help to reduce costs.

Verification to ISO 14064 provides transparent, third party evidence that GHG data is accurate and reliable. This, in turn delivers a number of important benefits:

- Recognition by reputable independent stakeholders provides Repsol with a high level of credibility on sustainability issues. It also enhances the company's reputation with investors, who regard issues such as energy efficiency as a proxy for efficient management.
- Verification demonstrates that Repsol is effectively managing its risks and is actively engaged in finding new opportunities for improvement.

- CSR reporting is significantly enhanced, which in turn enhances brand and reputation, which is important both commercially and politically.

Working with LRQA

Looking back, Jaime Martin Juez says "Repsol is extremely happy with the relationship that has developed with LRQA. This is because LRQA's work goes beyond the requirements of the standard; their assessors have helped us to identify new ways to achieve emissions reduction. So it's not just about accurate reporting; it's about continuous improvement in partnership with an organisation that has a deep understanding of our business."

Many of the new emissions reduction ideas have resulted from the work to monitor, assess and verify emissions. Jaime cites examples such as the recovery of residual heat from furnaces and flare gas reduction. In addition, gap analysis has identified opportunities for changing turbines from single cycle to combined cycle, which are more efficient.

Planning for success

Repsol's verification to ISO 14064 went very well because a great deal of effort was applied to gaining 'buy in' from relevant staff to ensure that they could see the benefit of the work and above all, that they could envisage the targeted improvements in energy efficiency. This was achieved by good communications, the provision of training and because staff from several

different departments were involved (Health & Safety, Energy, Process etc.).

The whole process benefits from the early development of a timeline, so that staff are clear about the levels of involvement that will be required.

It has become clear that a 'top down' approach is required. Staff need to see commitment from the highest level. Repsol has included emissions reduction within staff personal objectives, which are tied to remuneration, so independent verification is very important.

'Inventing the Future'

Global energy consumption will grow over the next few decades and fossil fuels will have to perform a vital role in protecting the planet's energy security. However, Repsol fully accepts its role in the war against climate change and is fighting battles on a number of fronts.

Firstly, Repsol is continuously building a culture of energy efficiency in the company and the verification of GHG emissions has an important role to perform in building trust in the measures that Repsol uses to assess itself. Repsol achieved an impressive emissions reduction between 2005 and 2008 of one million metric tons of CO₂ and now has a new strategic goal to lower emissions by 2.5 million tons between 2005 and 2013.

Secondly, the company is investing heavily in research and development in more sustainable biofuels, carbon capture and storage technologies, new forms of energy for transport and new ways to generate renewable energy.

"LRQA has a very good track record with Repsol, which means that LRQA assessors have a good understanding of our business. This is very important because it significantly reduces the amount of time and resources that we have to commit.."

Jaime Martin Juez
Director of Environmental Footprint and Carbon Unit, Repsol

To find out more about LRQA's services, please visit us at www.lrqa.com or contact us at enquiries@lrqa.com

www.lrqa.com

Care is taken to ensure that all information provided is accurate and up to date. However, Lloyd's Register LRQA accepts no responsibility for inaccuracies in, or changes to, information. Lloyd's Register and variants of it are trading names of Lloyd's Register Group Limited, its subsidiaries and affiliates. Copyright © Lloyd's Register Quality Assurance Limited, 2013. A member of the Lloyd's Register group.