


CIRCULAR TRANSITION INDICATORS

CASE STUDIES



Organization Name:
GALP

Industry:
Energy

Number of employees:
6,386

Annual revenue:
€17 billion

Website:
www.galp.com



Galp recognizes that circular economy is key to balancing economic growth and resource consumption. Thus, we are tracking the circular models that are in development in several sectors, as they have proven to be critical for the evolution of the low carbon energy market. The CTI framework can be a powerful tool to support us through our decarbonization path.



Carlos Costa Pina,
Executive Director, GALP

Why are circular metrics interesting to your company?

Galp is positioned as an integrated energy player that develops profitable and sustainable businesses, aiming to create value to its stakeholders. Galp is seeking new opportunities to produce low carbon energy by stepping up the introduction of secondary raw materials that will lead to both economic and environmental benefits. The CTI methodology enables an analytical assessment and provides a metric that can be monitored over time. Subsequently, it is an advantage that this framework can be applied by any sector or enterprise, providing a universal metric baseline that can leverage the circularity of business models, in all value chains.

Key challenges

We focused Galp's assessment on a low carbon energy product. To overcome any initial challenge, we set a clear definition of the scope of the assessment considering possible limitations in terms of data collection through the value chain. Narrowing the scope ensured that we had all necessary information both in quantity and quality. We involved a multidisciplinary team to assess the possible risks and opportunities and to promote a wider discussion on the CTI assessment results. Having regular touchpoints to gather input and including a diverse set of perspectives ensured an optimal outcome of the assessment.

Solutions

Embracing the CTI framework allowed us to assess the level of circularity of a new product as well as reflect on possibilities to improve the circularity of inflow and outflow considering the early stage of the product's life cycle. The exercise turned out to be a trial-error method producing different outputs that were compared and analyzed. This approach promoted a better understanding of the tool's features and simultaneously provided some insights about desirable improvements to be incorporated in future versions of the CTI framework (e.g. inclusion of a carbon indicator and the differentiation between non-virgin and renewable inflows regarding circular inflow).

Results

The CTI tool provided Galp a baseline scenario for the circularity of the product assessed that can progress and be monitored over time. Our assessment integrates the percentage circularity of both inflows and outflows as well as the emitted carbon output. We have concluded that in this case, the inflow (main raw material) has a paramount influence in the overall percentage of circularity. The CTI assessment also highlighted that around 20% of the outflow has limited possibilities to become circular because the final product is a fuel and therefore it will reach end of life once it is combusted.