

2021 Equality Plan

Approved at the Board of Directors meeting on October 23, 2020

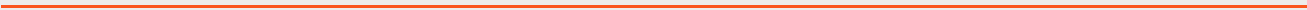


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1. INTRODUCTION

The pursuit of active gender equality policies is a duty that stems from companies' corporate social responsibility and is an obligation of all their employees.

According to the 2020 EU Sustainable Development Objectives (SDO) Progress Report, which includes, for the first time, the individualised situation and progress of each member-State with regard to the implementation of the SDOs, the SDO 5 (Gender Equality) is one of the objectives that [sic] displays the least progress in the last 5 years, in global terms.

There are also several international studies that prove the link between gender equality and productivity and value creation across companies in various areas, namely:

- Optimising management systems, organisational performance and leveraging retention and loyalty of the best human resources;
- Driving creativity and innovation, the cornerstones of competitiveness, and enabling more accurate and cooperative decision-making;
- Positively correlating the presence of women in management bodies with companies' profitability.

The gender equality issue must therefore be considered in all aspects of companies' operations.

2. FRAMEWORK

The Portuguese Council of Ministers' Resolution No. 19/2012, dated 8th of March 2012, established that all entities in the State business sector must adopt an equality plan, aiming to achieve equal treatment and opportunities between men and women, eliminate discrimination, and enable balance between personal, family and professional life.

This obligation was then extended to publicly-listed companies by Law No. 62/2017 of 1st of August, which approves the balanced representation regime between women and men in governing and audit bodies of public sector business entities and publicly-listed companies, with Article 7 setting down an obligation to draft equality plans every year "to achieve equal treatment and opportunities between women and men, promoting the elimination of sex discrimination and fostering balance between personal, family and professional life."

Law No. 62/2017 came to be regulated by Legislative Order No. 18/2019 of 17th of June 2019, which established, namely, the obligation of publicly-listed companies to communicate their equality plans in the information dissemination system to the CMVM (Comissão do Mercado de Valores Mobiliários [Securities Market Commission]) which it forwards on to the Commission for Equality at Work and Employment (Comissão para a Igualdade no Trabalho e no Emprego [CITE]) and the Gender Equality

and Citizenship Commission (Comissão para a Cidadania e Igualdade de Género [CIG]), as well as the production of a guide to prepare the annual equality plans.

The Portuguese Labour Code, under Subsection III - Articles 23 to 65, stresses the importance of Gender Equality, namely through general positions on equality and non-discrimination, prohibition of harassment, equality and non-discrimination based on gender and parental status.

Through Law No. 90/2019 of 4th of September, the Portuguese Labour Code was amended to reinforce protection of parenthood, as well as the statutory order that specifically regulates social protection of parenting in the social welfare system and in the solidarity subsystem, namely establishing a prohibition of discrimination based on workers' exercise of their maternity and paternity rights, in terms of remuneration related to awards for attendance and productivity, as well as unfavourable impacts on career progression.

The Portuguese Parliament has issued several recommendations to the Government on this subject:

- Resolution No. 116/2012, dated 13th of July, which recommends taking pro-family measures that enable balance between family life and work life;
- Resolution No. 260/2017, dated 30th of November, which recommends the adoption of measures ensuring effective compliance with working hours and the balance between work and family life;

Through Law No. 60/2018 of 21st of August, the Portuguese Parliament approved measures to promote equal pay between women and men for the same work or work of the same value, through four types of information, assessment and correction mechanisms, which will come into force on the 21st of February 2019.

On 15 September 2020, the Government of Portugal Release was published, confirming the decision to extend for 60 days, until 25 November 2020, the deadline for the listed companies to communicate their respective plans for equality related to 2021, as set forth in Article 7 of Law No. 62/2017, dated 1 August, and in Article 3 of Normative Order No. 18/2019, dated 21 June.

3. PLAN GOALS

Bearing in mind the importance of Gender Equality, as a way of demonstrating Galp's commitment to this issue, and in compliance with Article 7 of Law No. 62/2017 of 1st of August and Legislative Order No. 18/2019 of 17 June, Galp presents its Equality Plan for 2020, aiming to achieve effective equality of treatment and opportunities between women and men, promoting the elimination of sex discrimination, and fostering balance between personal, family and professional life.

The plan covers the areas included in the above-mentioned order, which are the following:

- Equal employment access
- Equality in working conditions
- Equal pay
- Protection of parenting
- Balance between professional activity and personal and family life

The plan also covers the following areas:

- Strategy, Mission and Values
- Initial and continuous training

4. IMPLEMENTED MEASURES AND PRACTICES

Galp has been incorporating into its management strategy some actions that contribute to make gender equality, in its various dimensions, a reality of company life.

As a way of demonstrating its commitment, in 2014 Galp joined the Business Equality Forum - IGEN, within the framework of the Commission for Equality at Work and Employment, a national body that promotes equality and non-discrimination between men and women at work, in employment and professional training, and has – over the past few years – established some specific commitments.

As part of its active participation in the IGEN Forum, Galp is part of the working groups which discuss measures to promote gender equality in organisations since 2019.

In 2016, an in-company work group was set up with a mission to diagnose policies and practices in the Galp Group in the fields of Gender Equality and non-discrimination between women and men, relating to the legal and regulatory environment and best practices, and the resulting analysis of quantitative and qualitative data.

Following the action plan presented by the working group in 2016/2017, several initiatives and actions were implemented in the various Gender Equality vectors, such as:

- Redefining Galp's values with reference to behaviours in a comprehensive and inclusive manner;
- Inclusion of Gender Diversity/Equality in Galp's Code of Ethics and Conduct and Galp's Social Responsibility and Human Rights Policies;
- Creation of a guide for employer branding presentations and including the subject of Gender Equality;
- Text insert at the end of every Galp job advertisement (in-company and external) highlighting respect for equal opportunities and non-discrimination by gender, race, religion;

- Holding a conference cycle at Galp (extra Talks@Galp), open to outsiders and with guests from other companies, on diversity and Gender Equality, and how organisations are managing these issues;
- Identification of the types of services/partners which facilitate access to relevant services and protocols established with partners through Clube Galp;
- Review of climate questionnaire in order to include diversity questions;
- Adoption of inclusive language and communication across the organisation.

In developing and implementing the commitments made by Galp for 2019 and 2020 within the scope of the IGEN Business Forum for Equality and included in its 2020 Equality Plan, Galp implemented the following initiatives between 2019 and 2020:

- Continuity of the work carried out by the permanent in-company and multidisciplinary *taskforce* of reflection and action with the mission of promoting the discussion, definition, and implementation of best practices on the topic of equal opportunities;
- Implementation of a set of training actions on the subject, specifically, training on unconscious bias across the entire organisation and with all partners on the topics of recruitment and hiring;
- Design and implementation of the *Well Being* transversal program, composed of several initiatives to support the reconciliation of personal and professional life, as well as the physical and psychological well-being of our people;
- Initial identification of the female population to be included in a comprehensive development program for *High-Potential Women*, composed of actions such as:
 - Galp Global *mentoring* programme
 - *Leadership programme*
 - Programme to Promote
 - *Career counseling*
 - External mentoring programs (example PWN)
 - *Women talks*
 - *Get togethers*
- Strengthening partnerships with which Galp works actively and proactively on this topic: Promote, Rock in Rio, Nova SBE, CIP, among others;
- Conducting in-company *workshops* between employees and their children in order to enhance work-family balance;
- Inclusion of data disaggregated by gender in the main management instruments, including in the recurring pulses launched to the organisation during the main period of the Covid-19 pandemic, allowing us to analyse the personal situation of our people and to carry out corrective measures which ensure the wellbeing and physical and psychological health of everyone, for example:
 - Test of a first version of the *Home Office* policy at Galp, designed to ensure special monitoring of minor dependents during the Covid-19 pandemic period;

- Creation of a psychological support line specifically intended to accompany our people during this period;
- Creation of a Psychosocial Assistance and Financial Counselling line;
- Design of the “Parenting Kit” with information on rights and duties;
- Continuity of the commitment and work developed in the Flexible Benefits programme that gives access to a set of social benefits for our people and their families according to their preferences. Among these benefits are Childhood Ticket, Vocational Training, Technology Procurement, among others.
- Constant accompaniment and monitoring of indicators that allow us to work on anticipating and improving Galp’s performance on the topic of gender equality.

In the scope of the Sustainability Committee meeting, held in October 2020, the performance of Gender Equality indicators was shared and discussed:

Gaps	Indicators	2018	2019	2020 now
Increase the % of women in Management positions (W:M - 50:50)	Women at Galp (% compared to total employees)	42	43	42
	Women in Executive/Top Management positions (%)	15	15	17
	Women in Middle/General Management positions (%)	24	23	24
	Women in First Line Management/Supervisor positions (%)	36	37	36
	Women in management positions ¹ (%)	31	31	32
	Women in management positions whose function generates revenue (%)	9	8.4	9
Reduce the pay gap between genders, reaching an average annual W/M wage ratio of 1	Base salary ratio W/M (executive level)	0.84	0.92	0.96
	Base salary ratio W/M (management level)	0.91	0.86	0.88
	Total remuneration ratio W/M (management level)	0.87	0.89	0.91
	Base salary ratio W/M (non-management level)	0.88	0.86	0.86

Besides the commitments made under the IGEN Forum, the following initiatives were implemented:

- Renewal of the partnership with PWN - Professional Women’s Network of Lisbon;
- Galp joined the UN Global Pact’s “Equality means business” initiative as a way of measuring gender disparity and alignment of commitments in this area;

- Recognition in 2019 and 2020 on the Bloomberg Gender Equality Index;
- Participation in the *Girl Move* Project, an association that aims to empower young Mozambicans to be development agents through a local pilot project in Beira, with UniZambéze University;
- Development of Social Responsibility projects in partnership with Helpo, with the Mozambican community, aiming to empower the community with regard to family planning and women's *empowerment* issues.

Galp was also awarded third place in the Leading Together award that distinguishes the PSI-20 companies that do the most for gender balance in leadership. Galp rises this year to 3rd place, following Sonae Capital and the winner Sonae SGPS.

With more than 40% of employees in the Group being female, Galp's management began on 16 April 2019 to include Sofia Tenreiro as executive administrator for the Commercial team and Susana Quintana-Plaza as executive administrator for the Renewables and New Business portfolio, both of which are fundamental areas for Galp's business and for the transformation of the activity towards energy transition. It also maintains Paula Amorim as Chairman of the Board of Directors and two female non-executive directors. At this time, 26% of the Galp Board are women, complying with Law No. 62/2017.

Currently in Portugal, out of a total of 76 executive directors of the PSI-20 companies, only eight are women. But the situation has improved: last year there were six women in 78 executive administrators, and over the last five years only five companies always had at least one woman as executive administrator.

5. MEASURES TO IMPLEMENT IN 2021

Dimension: Company Strategy, Mission and Values					
Goals	Measures	Persons In-Charge	Budget	Indicators	Target
Ensure implementation of the Equality Plan, its monitoring, tracking and sustainability	Define and monitor measurable strategic goals for promoting equality between women and men	People Department	Does not involve specific costs	Increase the % of women in Management positions (W:M - 50:50) Women at Galp (% compared to total employees) Women in Executive/Top Management positions (%) Women in Middle/General Management positions (%) Women in First Line Management/Supervisor positions (%) Women in management positions (%) Women in management positions whose function generates revenue (%) Reduce the pay gap between genders, reaching a W/M annual average wage ratio of 1 W/M base salary ratio (executive level) W/M base salary ratio (management level) Total W/M remuneration ratio (management level) Base salary W/M ratio (non-management level) Total turnover rate (monitor and promote balanced talent retention between genders) differential rate < 1 p.p. between M and W	Measurable strategic goals defined for promoting equality between women and men
	Continuity of the work and monitoring of the disaggregation of all data by gender across all company management instruments, namely, in diagnostics and reports	People Team+ Safety and Sustainability	Does not involve specific costs	<i>Indicator</i> Dashboard: - Representativeness - Salary - Assessment - Recruiting & Hiring - Learning - Parenting	Inclusion and monitoring of data disaggregated by gender in key management instruments
To learn about the 2021 Equality Plan and its strategic importance for the company	Sharing the Equality Plan with all employees	People Team+ Marketing and Communication Department + Legal and Governance Department	Does not involve specific costs	Disclosure on the company's official website, on the <i>intranet</i> and via email No. of people covered Number of accesses on the <i>intranet</i>	Disclosure on the company's official website, <i>intranet</i> and via email
Ensure respect for the principle of equality between women and men and non-discrimination in external relationships	Create and implement procedure to verify respect for the principle of equality between women and men and non-discrimination by counterparties/suppliers	Procurement	Does not involve specific costs	Procedure created and implemented % of partners covered	Procedure created and implemented

Dimension: Equal Employment Access					
Goals	Measures	Persons In-Charge	Budget	Indicators	Target
Contribute to a fair and objective selection and recruitment process between men and women	Conduct training actions for people in-charge of selection and recruitment interviews on non-gender-biased selection and recruitment procedures	People Department	23 000 €	Ratio between the number of people responsible for the interview process covered by the training actions and the ratio of the total number of people identified to receive this training	50% of people
Counter structural barriers to equality between women and men	Maintain and monitor guidance of external selection and recruitment bodies to ensure 50% representation of each gender in company applications for positions with both sexes at 50%	People Department	Does not involve specific costs	% M/W of 2021 job applicants	50% minimum representation of each gender in job applications (with 50% of candidates from both genders)

Dimension: Initial and Continuous Training					
Goals	Measures	Persons In-Charge	Budget	Indicators	Target
Promote a culture of equality between women and men in the workplace, encouraging management practices in line with it	Implement a comprehensive development program for High-Potential Women	People Department	Does not involve specific costs	No. of people covered/trained No. of actions implemented	For the population identified, management and implementation of development actions: - Galp Global Mentoring - Leadership programme - Career counselling - External mentoring programmes (example PWN) - Women talks - Get togethers - Promote
	Maintain the integration of content on parental protection, balance of professional, family, personal life, moral and sexual harassment at work in general leadership learning actions	People Department	Does not involve specific costs	Inclusion of subject and No. of people covered/trained	Training module in annual training plan
Biases and People Relations	Carry out actions throughout the year that involve all of Galp in the deconstruction of biases about personal relationships (gender, race, age)	People Department	30 000 €	No. of people covered/trained No. of actions implemented	Implementation of transversal actions

Dimension: Equality in Working Conditions					
Goals	Measures	Persons In-Charge	Budget	Indicators	Target
Encourage balanced participation of women and men in decision-making positions	Create and implement a procedure to identify under-represented people in top, senior and leading positions so that they may have the opportunity in the future to be promoted or recruited for those positions	People Department	Does not involve specific costs	In-company procedures created and implemented Ratio between the No. of persons identified and the No. of persons in the aforementioned functions	Optimisation and maintenance of in-company procedures created and implemented
Ensure a fair and objective assessment process for women and men	Review of the current performance assessment model and possible revision to ensure that it excludes any gender-based discrimination and does not penalise employees for exercising family responsibilities	People Department	Does not involve specific costs	Measures implemented	Diagnostic report and corrective actions taken (if necessary)
	Maintain disclosure of the performance model by email, <i>intranet</i> , digital programs and Employee Relations Centre	People Team+ Marketing and Communication Department	Does not involve specific costs	Intranet disclosure, via email and via digital programme No. of people covered	Disclosure on the <i>intranet</i> , via email, digital programmes and Employee Relations Centre
Dimension: Equal Pay					
Goals	Measures	Persons In-Charge	Budget	Indicators	Target
Ensure principle of equal pay for equal work or work of equal value	Conduct an in-company review and review (if necessary) of the job analysis system, ensuring that it meets clear, objective and transparent evaluation criteria	People Department	Does not involve specific costs	Diagnostic report and corrective actions taken (if necessary)	Diagnostic report and corrective actions taken (if necessary)
	Diagnosis of basic and supplementary remuneration of women and men	People Department	Does not involve specific costs	Diagnostic Report	Diagnostic report to be performed in 2021
	Create and implement monitoring procedures for basic and supplementary remuneration of women and men to ensure there are no disparities or, if there are any, that these are justifiable and free of gender discrimination	People Department	Does not involve specific costs	Procedure creation and implementation % of identified disparities	Optimisation and maintenance of in-company procedures created and implemented

Dimension: Parental Protection					
Goals	Measures	Persons In-Charge	Budget	Indicators	Target
Foster a culture of parenting, through the organisation and disclosure of the company's instruments for providing such support	Disclose and implement the parenting <i>kit</i> , which contains all the necessary information on parenting (legal regime, insurance, records, rights and duties, among others)	People Team+ Marketing and Communication Department	Does not involve specific costs	Implementation of the parenting <i>kit</i> No. of people covered	Implementation of parenting <i>kit</i> and disclosure by employees
	Ensure necessary support and clarification of doubts via Employee Relations Centre	People Team	Does not involve specific costs	No. of tickets on the topic marked as resolved	Procedure implementation

Dimension: Balance between professional activity and family and personal life					
Goals	Measures	Persons In-Charge	Budget	Indicators	Target
Promote balance between employees' professional and family and personal lives	Design and implement a transversal Home Office policy	People Team	Does not involve specific costs	Policy implemented % of people who used these possibilities	Procedure creation and implementation
	Maintain the possibility of temporary replacement of employees on parental leave, through procedures to ensure such replacement	People Team	Does not involve specific costs	Measure implemented	Optimisation and maintenance of in-company procedures created and implemented
	Implement a channel for receiving ideas	People Team	Does not involve specific costs	Measure Implemented via Eureka	Procedure creation and implementation
	Maintain, monitor and strengthen partnerships under the flexible benefits program	People Team	Does not involve specific costs	% of employees who use the programme	Optimisation and maintenance of in-company procedures created and implemented

6. PLAN EVALUATION AND FOLLOW-UP

The Galp People Team, with the support of the internal workforce, will track and monitor the implementation of the plan, verifying that the measures established are being put into practice and the goals are being achieved, and it must present the results for internal or external processes and reports requests and to all Galp's government bodies, when relevant.