



LONG-TERM VALUE

SUSTAINABILITY REPORT 2005|2006



Your positive energy.

This translation of the Portuguese document was made only for the convenience of non-Portuguese speaking shareholders. For all intents and purposes, the Portuguese version shall prevail.

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1. MESSAGE OF THE BOARD OF DIRECTORS

GALP ENERGIA'S FIRST SUSTAINABILITY
REPORT REFLECTS OUR COMMITMENT
TO THE GOALS OF SUSTAINABLE
DEVELOPMENT.

MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS



Francisco Murteira Nabo
Chairman of the Board of Directors
Galp Energia

Galp Energia's first sustainability report reflects our commitment to the goals of sustainable development.

Managing for sustainability is about optimizing financial performance and shareholder value in the long run, which requires a balanced review of the economic, social and environmental aspects that are relevant to our business. Sustainable development is inevitably a factor for our Company's competitiveness.

Indeed, we have long developed a range of actions towards making Galp Energia accountable for sustainable development. In this respect we stress the environmental value in business development projects, our support for the social development of the communities where we operate and our efforts towards creating shareholder value. The Company has always played a significant role in the community through several social, cultural and educational initiatives. Particularly relevant in this context is the signing of the "Letter committing to the Millennium Objectives" and the steps taken for their fulfilment.

This report, which has been prepared in accordance with the Global Reporting Initiative's guidelines, expounds management commitment to sustainability and is in itself a tool for stakeholder engagement.

The way forward is surely the unrelenting practice of the principles contained in this report. To the extent we will be able to embed them in our Company's day-to-day operations we will be able to build a future for our innovative abilities.

This is our commitment.

A handwritten signature in black ink, which appears to read "Francisco Nabo".

MESSAGE OF THE CHIEF EXECUTIVE OFFICER



Manuel Ferreira De Oliveira
Vice-chairman of the Board of Directors
Chief Executive Officer
Galp Energia

Galp Energia's first sustainability report – which refers to 2005 and 2006 and includes key aspects of the earlier report on environment, health and safety – is reflective of the Company's turning point. The report's main objective is to highlight Galp Energia's Corporate Social Responsibility ("CSR") actions. Business expansion – and the vision and mission of the Company – relies on tools that embody the values we stand for, set us apart from others and enhance the reputation of our brand.

We have undertaken several investments and actions for the purpose of spreading the basic tenets of CSR. This is how we aim to develop our business in line with our values:

- Client focus;
- Teamwork;
- Result-oriented entrepreneurship;
- Individual development;

- Innovation and continuous improvement;
- Safety and environment;
- Integrity and transparency.

We are aware we have to act today in order to ensure the sustainability of our long-term future. We think it is possible to plan investments and develop business placing on the front line of our concerns the issues related to the environment, the protection of natural resources and the improvement of living conditions for the community. It is our firm belief that in a global market our competitiveness hinges on a strong commitment to innovation and the endless search for technical solutions allowing us to optimize existing resources and minimize the impact of our business on the environment.

At Galp Energia, we are committed to the continued publication of this document; we want our stakeholders to know us and judge us objectively for what we are and do; our commitment is to continuously improve the sustainability indicators we start now publishing.

Therefore, it is a great pleasure to devote a relevant share of my personal and professional endeavours to the issues relating to CSR and sustainability.

A handwritten signature in black ink, reading 'Manuel Ferreira De Oliveira'. The signature is fluid and cursive, with a long horizontal stroke at the end.



2. GALP ENERGIA GROUP

OUR VISION:
TO BE THE REFERENCE ENERGY OPERATOR
IN THE MARKETS WHERE WE COMPETE.

2. GALP ENERGIA GROUP

2.1. CONTEXT

» BACKGROUND

Galp Energia is aware that its mission of creating shareholder value and giving its clients full satisfaction may be accomplished through an active contribution to the well-being of the communities with which it interacts. The concept of sustainable development, which has been defined by the United Nations' Brundtland Commission, is becoming part of the Company's culture: "It is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

» SCOPE

This report sets out to review and evidence Galp Energia's CSR performance in terms of best practice and fulfilled commitments in the framework for the triple bottom line principles. By striking a balance between economic, environmental and social goals through the use of CSR best practice, Galp Energia will be able to positively influence the markets where it operates.

» OUR VISION

To be the reference energy operator in the markets where we compete.

» OUR MISSION

To create value for clients, employees and shareholders, operating in energy markets with ambition, innovation and competitiveness, fostering the respect for ethical and sustainability principles.

» OUR VALUES

- Client focus;
- Teamwork;
- Result-oriented entrepreneurship;
- Individual development;
- Innovation and continuous improvement;
- Safety and environment;
- Integrity and transparency.



Exhibit 1: Triple Bottom Line' pyramid

» FACTORS CALLING FOR THE PUBLICATION OF THIS REPORT

Intensive energy use by developed countries, primarily from the second half of last century onwards, and the consequent climate change are today a cause of global concern.

Galp Energia shares these concerns although it recognises its limitations in combating this problem. It is, however, part of its commitment towards the communities where it operates to contribute to minimizing this global issue.

This contribution takes a sustainability perspective which is larger than the purely ecological view of natural resource conservation. Its approach is one of economic development intertwined with environmental and social protection.

Although this is not a minor challenge the Company goes about it by taking small steps along a journey it undertakes every day. Considering these factors and the exposure of the Galp brand to domestic and international markets, a corporate strategy was implemented on the basis of the sustainable development principles.

Galp Energia's recently acquired status as a public company made this more urgent as sustainability is considered a competitive advantage towards peers and an attraction factor for investors.

Corporate Social Responsibility ("CSR"), understood as a key requirement for the Company's positioning in the global market, adds value to the brand. On this basis, this report aims to evidence the **social responsibility policies** the **vision** the mission and the values that pace Galp Energia's activities. The sustainability report has been prepared in accordance with the **Global Report Initiative ("GRI")**, guidelines and their principles and performance indicators have been used.

2.2. CHALLENGES AND COMMITMENTS

The following are Galp Energia's most distinctive features compared to its peers:

- Leadership position in several markets, both in exploration and production and in refining, storage and distribution;
- Strong presence in the natural gas market;
- Improved environmental performance of fossil fuels;
- Good positioning in electrical generation and cogeneration projects and business development in renewable energies and the Iberian electricity market.

Seen as a value contributor to Galp Energia, sustainability can, in a structured way, create synergies both within the Company and with its most significant stakeholders. In the Exploration & Production Business Unit, the evaluation of new opportunities includes Portugal as well as high-potential countries. Galp Energia's large-investment plan encompasses optimizing the refining apparatus by improving its energy efficiency, adapting it to the strictest environmental standards and building two gas turbine cogeneration plants.

An optimized refining apparatus aims to reduce/stop diesel oil imports by covering domestic market needs from 2010, which would achieve significant savings in the country's energy bill. The Power Business Unit will evaluate and launch the new cogenerations at both refineries as well as manage integration in the electricity market by building the combined cycle plant at Sines and investing in renewable energies.

Renewable energies are a stimulating challenge for Galp Energia. In this field, opportunities are under evaluation and review, two cases in point being the wind power projects and the introduction of biofuels in the domestic market.

Galp Energia views these activities as a natural extension of its fuel production, refining and distribution business and is planning to take a prominent position in the sector by using state-of-the-art technology in the biorefineries. For this technological leap, the Company has not only established partnerships with INETI and its ENI partners but has also initiated a programme for producing

diesel oil from biological components ("biofuel"). Upon completing this programme, the Company will position itself at the highest technological level in the European Union and will be able to make quality products available to its clients which will be in line with the country's energy goals.

Finally, as has been widely observed, the new energy technologies have played – and will continue to play – an irreplaceable role in solving energy problems and contributing to social and economic stability in many countries.

New investments for the upgrade of the refining apparatus should be seen against this background as they make use of the best available techniques. On the one hand, they allow the introduction in the market of cleaner fuels with better energy and environmental quality and, on the other hand, they ensure a more rational use of raw materials and energy thereby minimizing the impact of emissions and risks for the environment. Some agreements like the aforementioned one, some of which have been recently signed with technical and scientific entities, are an important springboard for the ongoing technological innovation process.



» GALP ENERGIA'S SAFETY PROGRAMME

In late 2004, the Company committed to positioning itself in the market as a reference in terms of safety and started developing its Safety Programme. This programme aims to consolidate a prevention culture and excel in safety management, covering all Iberian operations. Its main goals are:

- To prevent accidents;
- To develop a social responsibility culture;
- To achieve excellent performances;
- To turn Galp Energia into a European reference in terms of safety.

The Safety Programme started with a fact-finding phase, when 65 sites in Portugal and Spain were visited and interviews conducted with more than 500 workers, whereby the Company's safety management performance was evaluated through:

- A safety diagnosis for each business unit/site with the consequent reporting;
- The definition of an action plan;
- The identification and implementation of a number of quick wins for the improvement of safety and health conditions;
- The definition of the required structure for developing the Safety Programme;
- The establishment of critical and priority actions.

In July 2006, the programme entered into the implementation phase whereby a dedicated team was appointed. Necessary steps are being taken to minimize risks, improve Galp Energia's safety record and find new ways in which the organisation will think and implement safety. This project involves the whole Company and will impact not only workers but clients and communities alike.

2.3. ORGANISATIONAL PRINCIPLES AND STRATEGY FOR SUSTAINABLE DEVELOPMENT

Galp Energia's sustainability principles are contained in six groups reflecting a focus on the most relevant stakeholders.



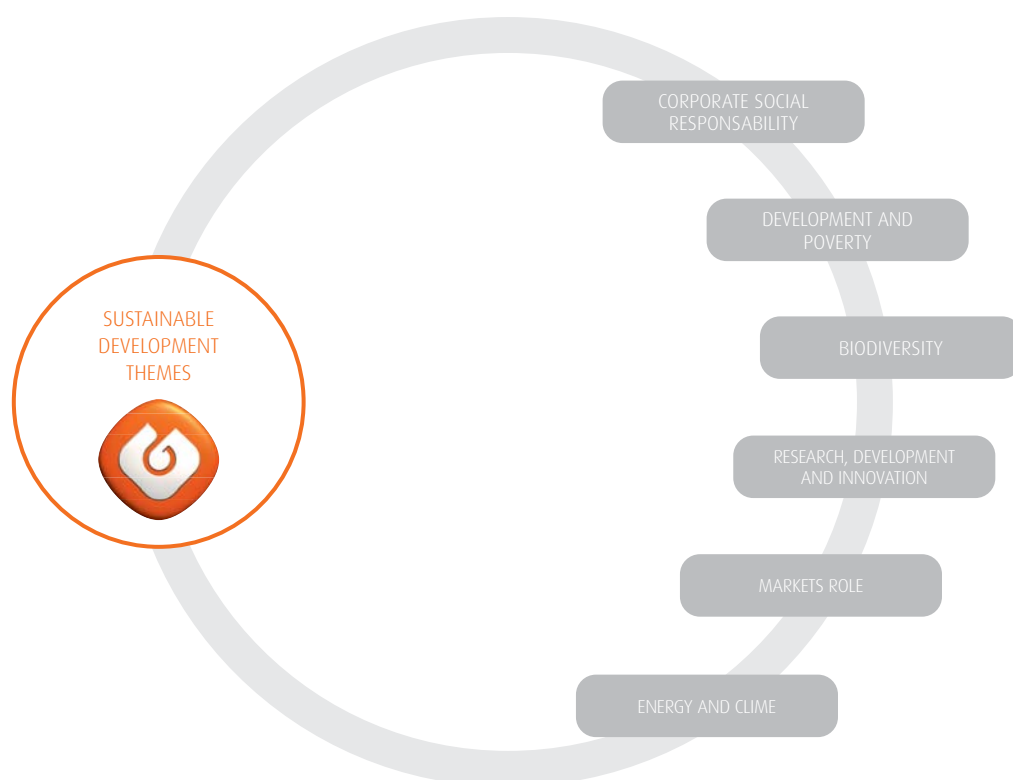
» GALP ENERGIA'S SUSTAINABLE DEVELOPMENT STRATEGY

This strategy consists of the engagement of employees and other stakeholders whereby clear and transparent communication channels should be created for adequately managing stakeholder expectations.

To this end, it is necessary to promote best sustainability practice across the Company so as to spread and instill the underlying concepts.

By preparing this first report, Galp Energia aims to spread information and bring attention to the need of implementing

a cross-sectional strategy, both internally and externally, towards the pursuit of sustainable development. Any steps, challenges or commitments will be monitored in search of improvements that will in turn be described in the coming reports. Efficiency gains are therefore expected from the developed scheme for better practical results. To talk about sustainable development is to mention a number of priorities grouped around several themes.



2.4. ORGANISATIONAL PROFILE AND MAJOR FACTS

The corporate structure is depicted in the following chart:

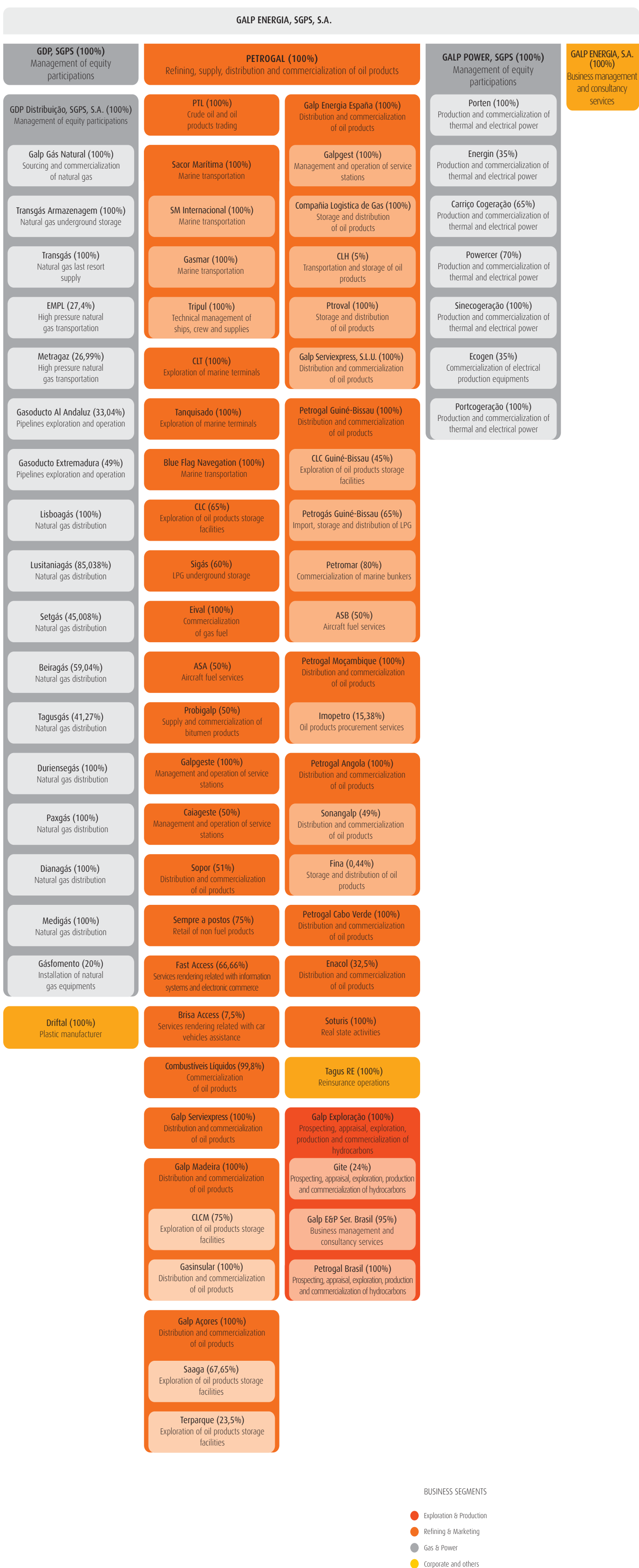
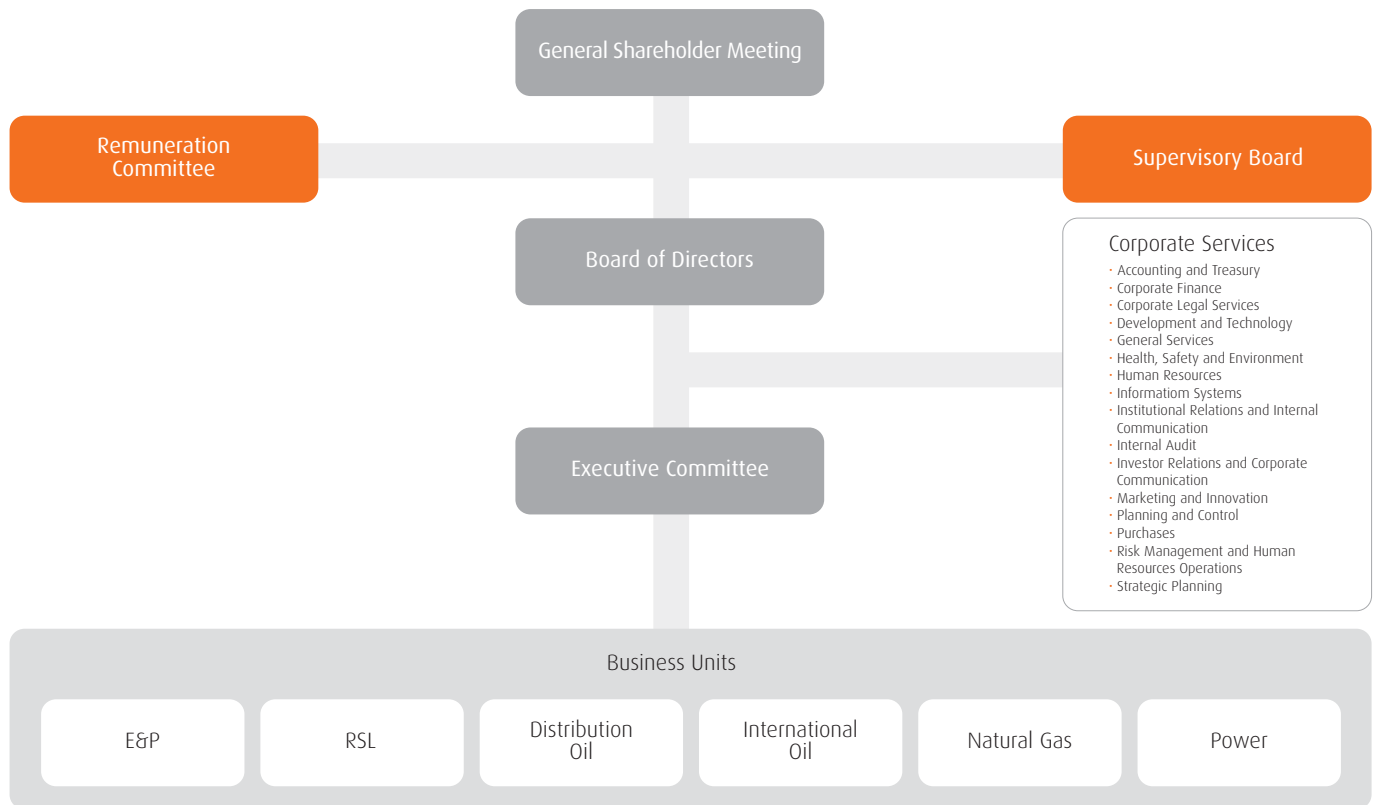


Exhibit 2: Business structure

Note: After the closing of the 2006 financial year, the corporate structure changed as follows: (i) Número 1, Reparação de Automóveis Lda. was sold in January 2007, (ii) Transgás, S.A. was renamed Galp Gás Natural, S.A. in February 2007, (iii) Transgás Indústria, S.A. was renamed Transgás, S.A. in February 2007 and (iv) Portcoenergia, S.A. was created in March 2007.

CORPORATE STRUCTURE OF GALP ENERGIA



The present governance model consists of a Board of Directors, a Supervisory Board and a firm of Statutory Auditors. The Board of Directors has management and representation powers. According to the law and the Company's articles of association, management of the Company's business segments has been entrusted to an Executive Committee. Supervision rests with the Supervisory Board and the firm of Statutory Auditors.

» EXPLORATION & PRODUCTION

The Exploration & Production Business Unit encompasses all upstream assets in Portugal, Brazil and Angola and is responsible for all activities relating to the prospection, research, evaluation, development and production of oil and natural gas.

» REFINING, SUPPLY AND LOGISTICS

This Business Unit includes all procurement, refining and logistics activities. Galp Energia's refining apparatus consists of the Sines and Oporto refineries, which ensure a total distillation capacity of 15.2 million tonnes per year. In order to secure the supply of oil products in the markets where it operates, Galp Energia buys crude and other raw materials in several storage parks and has equity stakes in two logistics companies in Portugal and Spain. Galp Energia sells refined products to other operators in the Iberian zone and exports to several countries, namely petrol to the United States.

» DISTRIBUTION OIL

The core activity of this Business Unit is the wholesale and retail marketing of refined products in the Iberian Peninsula. The unit markets under the Galp Energia brand 60% of the raw materials

processed in the Company's refineries. The retail network has 1,045 service stations and 204 convenience stores in the Iberian Peninsula.

» INTERNATIONAL OIL

This Business Unit markets oil products including LPG and lubricants outside the Iberian Peninsula.

» NATURAL GAS

This Business Unit sells the natural gas it buys under long-term supply contracts from Algerian and Nigerian companies. The Unit also has gas storage capacity in two underground caverns. In addition, the Company has a stake in natural gas distribution through its equity holdings in five regional distributors and four independent natural gas distributors.

» POWER

This Business Unit consists of the equity holdings of Galp Power in three natural-gas turbine cogeneration plants with a potential of 80 MW, which are currently under operation.

For more information see the Company's Corporate Governance Report.

» SIGNIFICANT CORPORATE EVENTS

2005

- The equity stake in Portgás was sold;
- The EU Emissions Trading Scheme started operating and allowances for CO₂ emissions were allocated for the first phase (2005-2007);
- The energy sector was restructured with the approval of the National Energy Strategy by the government (RCM nº169/2005);
- Ptroval is acquired;
- The Company's ownership structure changes;
- Public tender for the award of wind power production licences.

2006

- The Company is floated on the market;
- The Company's regulated natural gas assets are spun off;
- The transportation network and the storage and terminal facilities for natural gas are sold to REN;
- ERSE, the country's energy regulator, approves the natural gas sector's regulatory framework;
- The partnership with Petrobras is broadened to include the formation of new consortia with exploration rights on thirty new blocks in Brazil;
- EU directives are transposed to Portuguese law regarding (i) incentives to the use of biofuels or other renewable fuels in transportation, (ii) the gas and electricity sectors and (iii) the new 'Oil Law';
- The Galp brand is, for the sixth year running, elected as a trusted brand in the Portuguese oil sector according to the "European Trusted Brands" survey by the Reader's Digest.

» AWARDS

The Pluma gas bottle, developed under a 100% domestic project, is awarded several national and international design, marketing and advertising effectiveness prizes, of which the most important are:

- JEC (Journals and Exhibitions on Composites)'s Spirit of Conquest Special Award, Innovations Composites Awards Program 2005;
- If product design award 2006, seal of design excellence, awarded by the International Forum Design;
- "Best advertiser" award awarded by Best Models, January 2006;
- Red dot: "best-of-the-best" award from Design Zentrum Nordrhein Westfalen, Essen, Germany;
- I.D. Design Distinction, by I.D. International Design Magazine, EUA, August 2006;
- Gold IDEA 2006, by IDSA, Industrial Designers Society of America, June 2006;
- Grande Prémio from the 8th Portugal Creative's Club Festival;
- Good Design Award 2006, Chicago Athenaeum, Museum of Architecture and Design;
- The new gas heater Hotspot, developed by Galp Energia, was also awarded a prize in the equipment design category at the 8th Portugal Creative's Club Festival.

» GALP ENERGIA SUPERBRAND

As a customer-oriented company, Galp Energia is focused on delivering annually to the market new products and services. In 2006, the Galp brand was recognised as a Superbrand, an award extended by the eponymous independent arbiter on branding which rates brands in 59 countries. Galp Energia was rewarded with a high degree of Awareness, with a second place, and, in the innovation category, the fourth place.

» THE MILLENNIUM DEVELOPMENT GOALS – INTEGRATION WITH THE GRI INDICATORS

The Millennium Development Goals ("MDGs") arose from the UN-sponsored Millennium Summit in 2000, which was held for the "purpose of strengthening - with the symbolism of the early 21st century - the strategies for building a more peaceful, more prosperous and fairer world". The main challenge is to achieve equity in the distribution of wealth and enforce human rights in the global society. As a subscriber to this charter, Galp Energia wishes to integrate in this report the eight MDG principles with the GRI guidelines, as both reflect socially responsible corporate behaviour. This integration is depicted in Appendix I.





3. THE COMPANY'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

IT IS OUR FIRM BELIEF THAT IN A GLOBAL MARKET
OUR COMPETITIVENESS HINGES ON A STRONG
COMMITMENT TO INNOVATION AND THE ENDLESS
SEARCH FOR TECHNICAL SOLUTIONS ALLOWING
US TO OPTIMIZE EXISTING RESOURCES AND
MINIMIZE THE IMPACT OF OUR BUSINESS
ON THE ENVIROMENT.

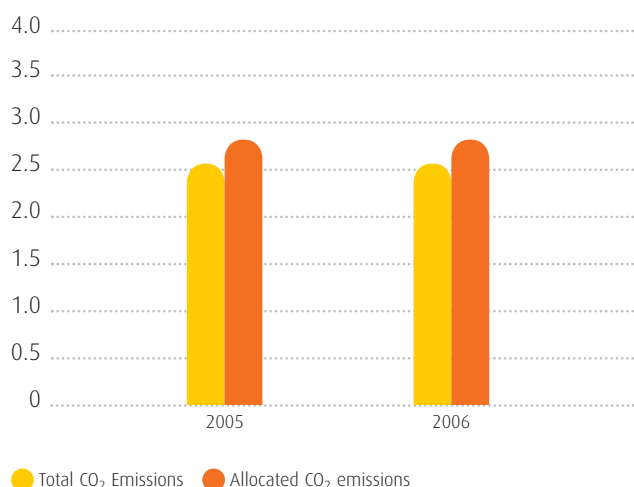
3. THE COMPANY'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

3.1. STRATEGY FOR CLIMATE CHANGE

Galp Energia is aware of its responsibilities towards minimizing emissions and mitigating the impacts of its operations. Implementation of a climate change strategy includes the reduction of CO₂ emissions by its facilities, thereby contributing effectively to attaining the goals set for the country. To this end, a plan for rationalizing energy use involving substantial investments in production facilities is under preparation. Emissions control is regulated by each EU member state on the basis of a European Commission decision laying down the rules for monitoring and reporting emissions of greenhouse gases ("GHGs") in the framework for the EU Emissions Trading Scheme and Directive 2003/87/CE. Galp Energia's facilities are covered by the National Plan for the Allocation of Emissions Licences ("PNALE") which has allocated an emissions allowance and a limited number of emissions licences. The licences are annually accounted for by the facilities operators and validated by qualified inspectors, whereupon a report is filed with the environment authorities (Instituto do Ambiente).

At Galp Energia, both refineries (Sines and Oporto) and both cogeneration plants (Carriço Cogeração, close to the underground storage of natural gas and Powercer at Sociedade Central de Cervejas) are covered. The facilities have complied with the number of licences allocated annually as shown in the following graph.

ACTUAL CO₂ EMISSIONS (MILLION TONNES) BY THE COMPANY IN 2005-2006 COMPARED TO ALLOCATIONS.



Graph 1 – Actual CO₂ emissions by the Company in 2005-2006 compared to allocations.

A good example of investments in a more rational use of energy is the replacement of the existing steam power plants at the Sines and Oporto refineries by two modern natural-gas turbine cogeneration plants, both with an installed capacity of 2x41 MW and a steam production of 220t/h and 244.5t/h, respectively.

In spite of lower CO₂ emissions, the total power output of these facilities is very high due to the combined production of steam and electricity, which substantially reduces emissions by the country's electricity production system.

The two cogenerations operated by Galp Power – Carriço Cogeração and Powercer – have reduced electricity-producing emissions by 170,000 tCO₂/year. Simultaneously, Galp Energia is introducing biocomponents in domestic fuels. By diversifying its energy sources, applying state-of-the-art techniques for reducing energy use by its facilities and promoting energy efficiency through better procedures and advisory to clients, Galp Energia advances its strategy of contributing to GHG reduction.

The Company's good performance is borne out by its score in the Portuguese Index on Climate Change and Business Management ("ACGE"), built by EuroNatura, an NGO specialized in environmental research, policy and law. The index was built applying the method used by the Investor Responsibility Research Centre ("IRRC") in preparing the report Corporate Governance and Climate Change: Making the Connection for the Coalition for Environmentally Responsible Economies ("CERES") and is, therefore, an excellent sustainability benchmark for investors. In the latest ACGE, covering 2005, the Company reached a score of 86%, or a 34% increase compared to the year before.

3.2. RISK MANAGEMENT

The sustainability of business enterprises does not depend solely on financial factors as companies are currently exposed to non-financial risks such as environmental and social risks. Managing risks equates to protecting the business and consolidating sustainability. Consumers are increasingly demanding, with heightened expectations. This increases the value of the brand and, consequently, the risk to which Galp Energia is exposed. Therefore, the Company has to build effective feedback channels that are adapted to the needs of its stakeholders. Risk management aims to establish adequate mechanisms for managing and controlling primary risks of different kinds, identifying and rating those which are most relevant to the Company's core operations. Galp Energia sees risk as a challenge to be managed so as to allow new opportunities to arise turning them into competitive advantages. To this end, an integrated risk management policy was implemented for the purpose of dampening the effects of exogenous variables on earnings volatility.

Adherence to this policy is ensured by a Risk Management Committee composed of two members of the Company's Executive Committee and representatives from the various business units. This committee formulates long-term strategies for the implementation of risk management as well as the rules for evaluating the Company's integrated risk.

3.3. FINANCIAL PERFORMANCE

Galp Energia reported in 2006 net income of 755 million euros. Excluding inventory effects and non-recurrent events such as the gain on the sale of transportation and regasification assets to Rede Eléctrica Nacional, adjusted net income was 468 million euros, up 10% on 2005. Turnover in 2006 was 12,210 million euros, a 10% increase compared to 2005. Adjusted EBITDA grew by 9.3% to 958 million euros.

For more information, see the Company's Annual Report.

» 2006 RESULTS

MILLION EUROS	2005	2006
Turnover	11,137	12,210
Personnel costs	270	307
State taxes payable	2,415	2,545
Income tax	132	210
Excise tax	2,283	2,351
Operating cash-flow (EBITDA)	1,192	1,241
Adjusted EBITDA	877	958
Operating result (EBIT)	863	949
Adjusted EBIT	580	667
Net income	701	755
Adjusted net income	425	468
Net assets	5,934	5,242
Capital expenditure	315	349
Net debt	1,192	887
Average capital employed	3,387	3,192
ROACE (%)	21%	25%
Adjusted ROACE (%)	14%	17%
E&P sales (Mbbbl)	1.8	2.9
Refined products sales (Mton)	15.9	16.2
Natural gas sales (Mm ³)	4,234	4,596

Table 1 – Financial performance for 2005 and 2006.

» FINANCIAL INCENTIVES

The projects that attracted financial subsidies in the last two years are described below emphasizing their impact on the involved communities:

PROJECT	DESCRIPTION
Promoting access to modern energy sources in Guiné-Bissau	<p>The project provides for the build-up of a network for distributing LPG bottles of 4 to 6kg. In addition, LPG kits consisting of a bottle of butane gas, a gas burner and a pan tray that may be linked to the bottle will be distributed to 20,000 families. With regard to sustainability, the initiative carries a triple benefit. In economic terms, it brings improved living conditions and higher comfort for the community as the search for firewood and coal becomes redundant. In environmental terms, the use of LPG combats deforestation and protects biodiversity. Lastly, in social terms, it promotes the adoption of hygienic habits by the community as water sterilisation is made easier. In addition, lighting after sunset becomes possible, thereby raising comfort levels in the community. The European Commission will contribute 75% of the total project cost.</p>
R&D at the Oporto refinery	<p>In the framework for research of the industrial fabric, the Oporto refinery is developing a number of projects which aim to optimize the plant's energy use, the reduction of polluting emissions in the Claus unit, the reduction or outright deletion of the olefin and aromatics content in the factory of lubricants and the readjustment of features of the base oils produced. These projects will be 37% co-funded by the European Social Fund ("ESF").</p> <p>Under a partnership with Faculdade de Engenharia do Porto, the refinery is modelling the optimization of process units, a project which is estimated to be 50% co-funded by the ESF. Finally, a logistics system for bitumen is currently under development, where the ESF is expected to participate with 65%.</p>

» DONATIONS

In 2006, Galp Energia raised the money value of donations substantially. The total amount has been split into several activities such as support to sports, culture, the environment and social solidarity.



(*) The amounts include the donations resulting from compensation for the exploration contracts in Angola and Brazil. The projects that have been developed in the last two years are detailed in the CSR chapter.

3.4. ENVIRONMENTAL IMPACT

The challenges posed by regulatory frameworks aiming at environmental quality and sustainable development such as the Kyoto Protocol, the EU directives regarding industrial activities' integrated pollution control, national plans and commitments to reducing air emissions and the policies and guidelines for the development of renewable energies and cogeneration – lead companies to invest in new technologies and to introduce changes in production processes as the Polluter Pays principle gains acceptance, particularly through the EU Emissions Trading Scheme.

This reality requires that companies should define clear and solid strategies in order to safeguard key factors for the country's development such as reliable supplies, energy efficiency and the

diversification of energy sources. Galp Energia follows domestic and EU law for the purpose of reducing environmental impacts by developing continuous-improvement practices.

To this end, action plans are drawn up annually for each industrial plant in terms of process, technology and operations, in alignment with the best available techniques ("BATs"). For the refineries' environmental licensing, the action plans were reappraised so as to ensure a complete integration of the goals underlying integrated pollution prevention and control. This review checked adherence of the plans to the BATs, identified opportunities for mitigating environmental impacts and provided a cost/benefit analysis of their implementation. The appraisal was based on the MTDs evidenced by reference documents called Brefs for the oil refineries and the production of basic organic chemicals. The 2007-2009 Investment Plan was supported by the methodology used and recommended by the UK's Environment Agency in its Pollution Prevention and Control Regulations 2000, named H1 Environmental Assessment and Appraisal of BAT. The purpose of this method is to select the best technique that will ensure a high level of environmental protection and be economically viable.

» REVIEW OF ENVIRONMENTAL INDICATORS

Activity level

Activity levels at refineries are analysed through a processed cargo indicator, which is used as a standardisation factor for emissions from this type of facilities. On the other hand, activity levels at storage parks are indicated by total product movement.

	PROCESSED CARGO (KT)	2005	2006
Refineries	Oporto refinery	4,143	4,045
	Sines refinery	9,631	9,861
Total		13,774	13,906
	TOTAL THROUGHPUT (KT)	2005	2006
Logistic operations	Gas parks	519	514
	Logistics parks	2,434	2,286
Total		2,953	2,800

Table 2 - Processed cargo in refining and total product throughput at storage parks

» INPUTS

• Raw materials

Several raw materials go into the Company's operations, from burning gas into exploration and production to crude oil and naphtha into refineries.

	2005	2006
Burning gas (MMSCF)	132	455
Processed raw material (kton)	14,255	14,741

Table 3 - Used raw materials

• Energy

Developments in energy use are represented in the tables, where data are given for refineries, logistic operations, other facilities and office buildings (natural gas distributors and head office).

FACILITIES	FUELS (TEP)	2005	2006
Refineries	Combustible process residue	501,981	508,996
	Fuel gas	398,722	391,122
	Electrical energy	175,940	179,418
	Total	1,076,643	1,079,536
Cogenerations	Natural gas	63,739	69,625
Logistic operations	Fuel oil	59	-
	Diesel	252	245
	Electrical energy	1,842	1,513
Total		2,153	1,758

Table 4 - Energy use at the Company's main facilities.

OTHER COMPANY INPUTS	FUELS (TEP)	2005	2006
Mozambique and Guinea	Diesel	176	197
	Electrical energy	3	1
Total		179	198
Aviation	Electrical energy	276	221
Lubricant factory	Electrical energy	619	558
Buildings of the natural gas distributors (*)	Electrical energy	396	380
Galp Tower Building	Electrical energy	780	723
	Natural gas	14	35

(*) Includes solely data for Setgás, Lusitaniagás, Tagusgás, Lisboagás
Table 5 - Energy use in other Company operations

• Water

In refining and logistical operations, water use declined due to more intensive recycling from wastewater processing.

	2005	2006
Refining and logisitcs (106 m³)	8.6	8.1
Carriço Cogeneration (106 m³)	0.0005	0.0011
Natural gas distributor (106 m³)*	0.0022	0.0048

(*) Includes solely use by distributor Setgás
Table 6 – Water use

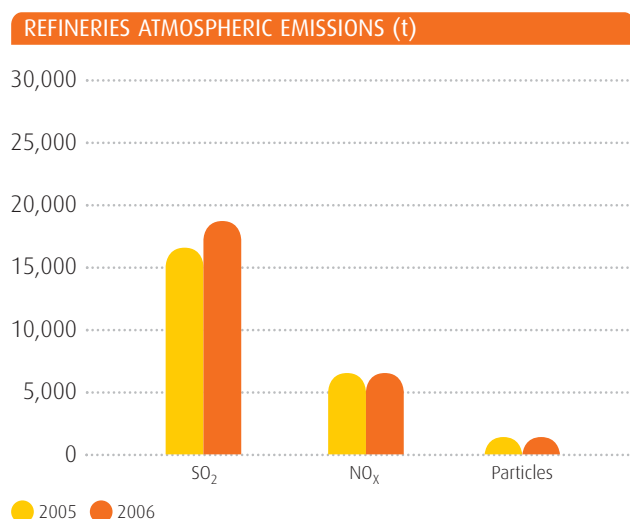
» AIR EMISSIONS

The development of combustion-driven air emissions is depicted in the following graphs.

• Refining

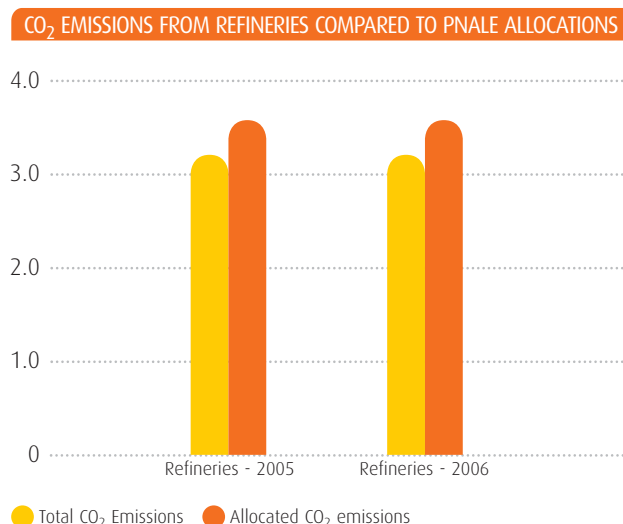
Further to its plan from earlier years, Galp Energia set as a priority the reduction of SO₂ emissions from its facilities, namely Large-Scale Combustion Facilities (“LSFs”), regarding steam power and electricity plants at its refineries. With emissions of 11.7 kt, the refineries met their SO₂ quota as the cap established by the National Programme for Emissions Reduction by Large-Scale Combustion Facilities was 22 kt.

The following graph shows emissions of CO₂, SO₂, NO_x and particles.



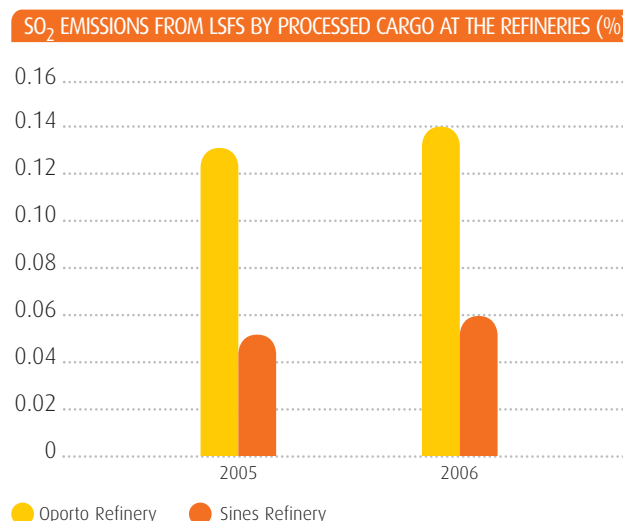
• CO₂ emissions

CO₂ emissions covered by the National Plan for the Allocation of Emissions Licences (PNALE) were lower than the licences allocated for the 2005-2007 period – 3,265,877 t/ year.



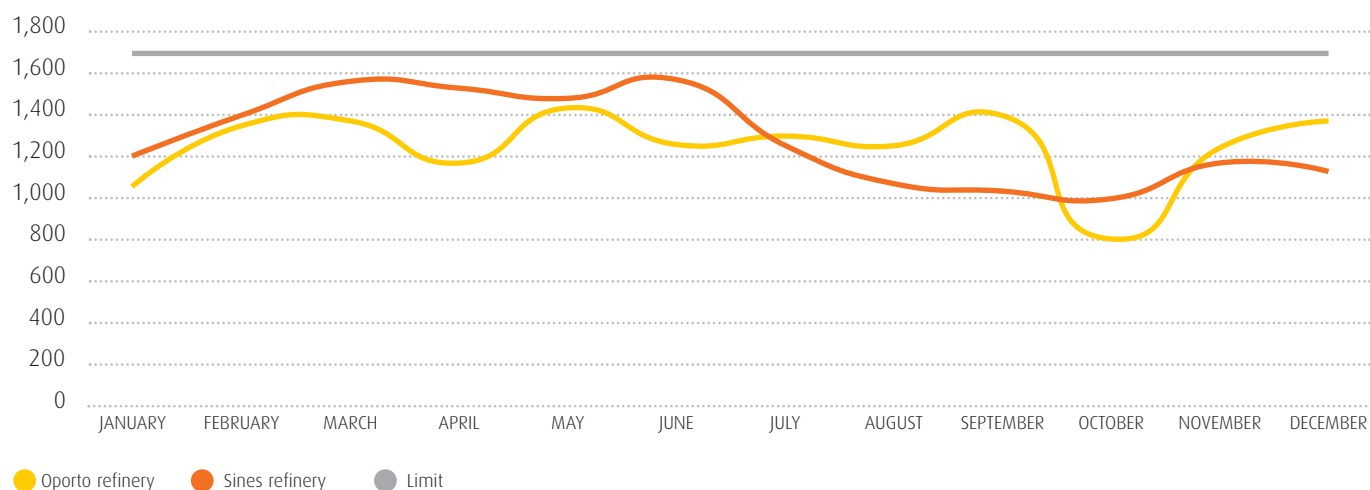
• SO₂ Emissions

The following graph depicts SO₂ emissions at LSFs by processed cargo, at both refineries.



In order to calculate the average monthly figure for SO₂ emissions from all combustion facilities at the refineries, a virtual chimney is considered which is called a “bubble”. All emissions resulting from process combustion, excluding those from the Claus units, are considered here.

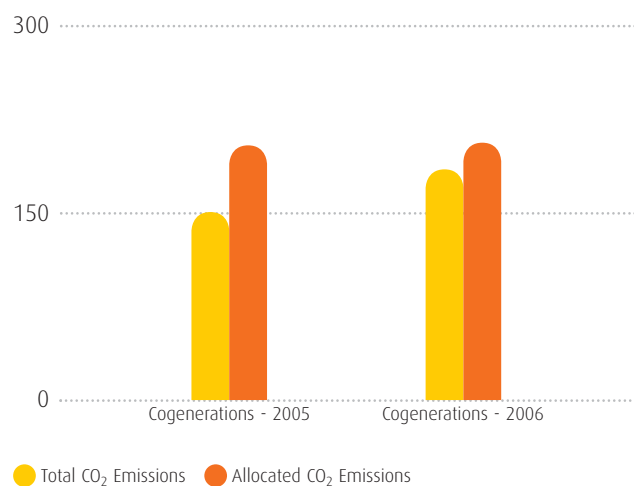
EMISSIONS "BUBBLE" - SO₂ (mg/Nm³)



• Cogenerations

CO₂ and NO_x emissions from cogenerations rose in 2006 due to higher energy production.

CO₂ EMISSIONS (MILLION TON) FROM COGENERATIONS



» PRODUCT TRANSPORTATION

Galp Energia accounts for mileage incurred by logistical operations.

Data is presented in the following table:

	2005	2006
Mileage for product transportation	42,550,283	40,868,664
CO ₂ emissions ^(*) (ton)	12,723	12,220

(*) According to ANECRA: 299 gCO₂/km emission/km.

Table 7 – Mileage incurred by product transportation and resulting CO₂ emissions

» LIQUID EFFLUENTS

In Exploration & Production, water produced was recycled into the production process. The increase from 2005 to 2006 resulted from a new area on Block 14 coming on stream.

	2005	2006
Reused water (bbl) ^(*)	2,695,867	5,021,993
Volume of effluents (10 ³ m ³) ^(**)	4,329	4,358
Recycled hydrocarbons (10 ³ m ³) ^(***)	67	63
Volume of reused water (10 ³ m ³) ^(***)	451	722

(*) E&P (Exploration & Production).

(**) Refineries and logistics.

(***) Refineries.

Table 8 – Reused water, volume of effluents and recycled hydrocarbons.

In the construction of the cavern complex for the underground storage of natural gas at Carriço, existing brine has been partially recycled. Carriço's cogeneration plant was built there in order to produce warm water which is used by Renoeste, a local company, for pre-heating the brine, thereby producing salt by evaporation. This product is the raw material for the chemical industry pole of Estarreja.

The discharge of effluents from the refineries (from Oporto to an undersea destination and from Sines to the wastewater processing plant of Instituto de Águas de Santo André) showed the following relationship between discharged hydrocarbons and processed cargo:

HYDROCARBONS IN EFFLUENTS/ PROCESSED CARGO (G/T CARGO)	2005	2006
Oporto refinery	1.4	7.4
Sines refinery	12.0 ^(*)	5.7

(*) This value is due to discharges when the refinery was not in operation.
Table 9 – Hydrocarbons in effluents to processed cargo.

» WASTE

INDUSTRIAL WASTE (T)	2005	2006
Non-dangerous industrial waste	3,686	9,802
Dangerous industrial waste	13,021	170,941
Total	16,707	180,743

Table 10 – Industrial waste generated by the refineries, logistics parks, gas parks, air facilities and lubricant plants.

Between 2005 and 2006, the volume of waste generated by the refineries, logistics parks, gas parks, air facilities and lubricant plants increased substantially. This increase was largely due to the removal of considerable volumes of tile in asbestos cement from the lubricant plant. Variability of produced waste per year results from irregular maintenance and cleaning operations in facilities as well as operational

breaks. For this reason, accurate estimates of produced waste in coming years are difficult to make. Nevertheless, the type of generated waste is constant and management actions towards minimizing waste volumes and preventing/mitigating their impact have increased. To this end, good practices are followed such as the reuse of waste as raw material (see recycled hydrocarbons).

The volume of materials recovered at the refineries reached 711 tonnes in 2005 and 1,380 tonnes in the following year. In natural gas distribution, scrap metal is used for incorporation into steel piping. In addition, as a way of promoting environmentally responsible behaviour, containers for the collection of waste to be recycled have been placed in all Galp Energia office buildings.

» ENVIRONMENTAL PROTECTION – DISCHARGES

Galp Energia made recently a large investment to combat sea pollution by installing new equipment at the port of Leixões.

The equipment can be easily moved and used on short notice at any point along the Portuguese coast, proving to be a reinforcement of the capacity installed by the public authorities.



3.5. ENERGY EFFICIENCY

Given Galp Energia's footprint on the domestic energy sector, energy efficiency, the rational use of energy and dampened GHG emissions are subjects that are most relevant for the Company.

» EXPLORATION AND PRODUCTION

In E&P, development plans for the fields of Block 14 have been designed to avoid the burning of gas by its re-injection to storage wells, resulting in high reuse rates. Also in E&P in Angola, Galp Energia is a supplier to the Angolan LNG project. The purpose is to capture the gas, avoiding it to burn and thus contributing to the reduction of global CO₂ emissions.

Throughout 2006, the Company participated actively in discussions about the legal framework for the infrastructure that will deliver gas to the LNG unit to be built at Soyo.

» REFINERIES

A number of steps have been taken for optimizing processes at the refineries. This has been done by adopting the best available techniques for preventing environmental impacts and optimizing the facilities' energy efficiency. Beyond these actions, the goals set by the plans for the rational use of energy, in accordance with the regulation for the management of energy use, have been attained. The projects that have been implemented in the refineries have led to significant improvements in energy efficiency, with a special impact on the reduction of process-driven CO₂ emissions. As an example:

- Investments in the Oporto refinery reduced energy use by 71,030 t FOE⁽¹⁾ a year, the equivalent of 225,165 tonnes of CO₂ a year;
- Process changes in the Sines refinery led to a reduction of 78,770 tonnes of CO₂ a year.

(1) Tonnes of fuel-oil equivalent.

As mentioned in chapter 2.1, two natural-gas turbine cogeneration plants are expected to come into operation at both refineries, which will mean higher energy efficiency for the production of steam by replacing steam production, almost entirely, by conventional boilers that use combustible process waste and fuel gas. Consequently, emissions of CO₂, SO₂, NO_x and particles from the refineries will be reduced.

» COGENERATION PLANTS

At Carriço cogeneration plant, the need was identified to reduce the capacity of pumping water from the central boiler and, consequently, reduce electricity use. To this end, two alternators were installed for a 40-50% reduction in the use of electrical energy by the central (the reduction in 2005 had been 35%). Not only does this system lengthen the economic life of the equipment, it also minimizes the wear and tear of pumps and the water circuit.

» BUILDINGS

In 2005 there was an energy audit to the head office building, which showed the willingness to start procedures for the building's future energy certification.

» ENERGY EFFICIENCY FOR CLIENTS

In partnership with Ambistore, the natural gas distributor Beiragás implemented a new air-conditioning system called GHP, Gas Heat Pump, a gradual adherence to which is expected.

3.6. SUSTAINABLE MOBILITY

In the transportation sector, items such as fuel consumption and the resulting emissions are on the agenda, which has led to the concept of sustainable mobility. To this end, Galp Energia has taken steps in several directions and started to introduce in 2002 new, more efficient fuels that allow lower consumption and more power, thereby contributing to lower GHG emissions.

» BIOFUELS

The Portuguese market for road fuels is covered by EU Directive 2003/30/CE, which must be applied in the European Union zone. This directive establishes as indicative goals for the member states the introduction by 2010 of non-fossil components for a minimum proportion of 5.75% of the energy content of sold products. A government decree (Decree-Law nº62/2006) in 2006 transposed the directive to Portuguese law and established the technical, administrative and taxation framework for the activities linked to the production, sale and introduction in the consumption chain of biocomponents and biofuels. Fuel quality is regulated by standards EN590 and EN228, which provide for biocomponents with no specific labelling to be incorporated up to 5% of volume, thereby accelerating convergence to the goals set by the EU Directive 2003/30/CE. Since June 2006, road diesel oil produced at the Oporto and Sines refineries has incorporated 80,000 t of biodiesel, which is estimated to have contributed to the reduction of global CO₂ emissions by 190,000 t. Galp Energia proved to be aware of the importance of introducing biofuels in the Portuguese market by starting to incorporate in diesel oil biodiesel for a proportion lower than 5%. To this end, supply contracts were signed with independent domestic producers. More recently, the government expressed its willingness to bring forward to 2010 the goal of incorporating 10% of biocomponents. The obligation to incorporate more significant volumes of biocomponents in road fuels will be a milestone that will mark a fundamental change in Galp Energia's presence in this business sector. This results from the fact that the new posture will imply a strategic option, currently under review, for the supply/production of biocomponents, thereby ensuring safety and reliability, at least on a par with what is the case for components of a fossil origin.

» NATURAL GAS

The use of natural gas – which is mostly composed of methane – as a road fuel presents several advantages. From an environmental viewpoint, it may be defined as the cleanest of fossil fuels in the sense that it releases the least carbon monoxide, does not emit sulphur oxides and emits a lesser quantity of NOX. Natural gas is also the fossil fuel that emits the least quantity of CO₂ per energy unit. In transportation, Galp Energia has supplied STCP's (Oporto's public transportation company) bus filling station since 2000 and Carris' (its Lisbon counterpart) own station since 2001. In the process, full satisfaction has been given to the logistic needs arising from the fuel switch-over. In the facilities of both companies, natural gas was made available to taxis whose owners were members of associations that signed supply contracts.

» GPL

LPG for cars has lately attracted new clients who have been motivated not only by the potential savings but also by environmental conservation. This fuel contributes to a better environment by drastically reducing NO_x and particle emissions, the two main pollutants impairing air quality in urban areas. In addition, it reduces CO₂ emissions by 15% when compared to petrol. In order to spread knowledge about this fuel, an agreement was signed with ANTRAL, the national association of taxi owners, establishing special advantages for the use of LPG Auto Galp and a special discount to taxi owners through Galp Energia's Galp Frota card. The Company was selected as a partner for the promotion of the new Subaru Legacy 2.0R BiFuel, consisting of an offer of 1,000 litres of LPG to each client. In order to win new clients, Galp Gás promoted the "LPG Auto week" jointly with the Engineering Faculty at Coimbra for the purpose of showing the student community the advantages of this fuel.

» TRADITIONAL FUELS

As a result of a joint initiative with companies specialising in the research and development of high-performance fuels, Galp Energia moved to a new range of high-performance fuels that bring benefits compared to conventional fuels. Two cases in point are the low sulphur content (10 ppm) in GForce 98 petrol and the reduced emissions of carbon monoxide and hydrocarbons with Gforce Diesel.

» FUEL ADDITIVES

In transportation, new legislation has been introduced – EUR4 and EUR5 – leading to the need to develop new processes to meet the new requirements. In an Iberian partnership between Galp Energia and CUF, the AdPlus and the Hi Performance Adblue products were developed to reduce NO_x (nitrogen oxides) emissions by trucks and buses. The AdBlue is poured into a separate fuel tank and its action results in a blend of gases that reduces emissions.

3.7. CREDENTIALS IN ENVIRONMENT, QUALITY AND SAFETY

Galp Energia certifies its environment, quality and safety (“EQS”) management systems in accordance with reference standards as a way to evidence the reliability of its products and technological processes. The Company wants to be a socially and environmentally responsible operator throughout its value chain with the support of motivated, skilled and innovative teams that are committed to generating shareholder value, satisfying clients and contributing to societal well-being.

Implementation and development of the mentioned systems follow a cyclical pattern whereby Galp Energia periodically reviews and evaluates its management systems for the purpose of identifying opportunities for improvement. These systems are part of the Company’s broader management system and include corporate structure, planning activities, responsibilities, practices, procedures, processes and resources in order to develop, implement, review and maintain EQS policies.

For its refineries and fuel storage parks, the Company decided to certify its EQS management systems in 2005-2006. To this end, the Aveiro and Porto Brandão parks obtained their certification in the first quarter of 2006. At the same time, a project was started to adapt existing systems to the reference standards in the lubricant factory, the Boa Nova park and the Oporto and Sines refineries.

In 2006, the Company proceeded with its strategy in the certification field:

- New management systems were certified at Setgás, SAAGA (Safety) and Aveiro and Porto Brandão parks (EQS);
- Existing certifications were retained:
 - Lubricants, aircraft fuels, base oils, Galp Chemical, Galp Gas, Sines refinery supervision, bitumens, Probigalp and SAAGA (Quality), CLC (fuel depot) and natural gas distributors Setgás (Environment and Quality), Beiragás, Lisboaagás, Lusitaniagás and Tagusgás (EQS);
- Accreditation of the quality systems at the Oporto and Sines refineries and Galp Lubricants was retained.

In addition, the Aveiro terminal was one of the first port facilities in Portugal to obtain the ISPS Code protection certification including risk evaluation and security.

This internationally recognised certification covers the integrity, safety and security of people and goods participating in maritime transportation logistics including port terminals and international ships.

In 2006, steps were taken in accordance with the ISPS Code to retain the protection certificates of the following terminals:

- Petrogal’s liquid bulk terminal– Port of Leixões;
- Petrogal’s liquid bulk terminal, berth in dock nº22 – Port of Aveiro;
- Petrogal’s fuel terminal – Port of Lisbon;
- Tanquisado’s fuel terminal – Port of Setúbal.



3.8. EXPENDITURE ON THE ENVIRONMENT

Galp Energia focused its management and expenditure efforts on compliance with the legislation, adopting BATs for the purpose of improving its environmental and safety performance. The table below shows the sums spent in these two areas in 2005-2006. The table also evidences a predominance of activities linked to the procurement, refining and distribution of oil.

OPERATING EXPENSES AND CAPITAL EXPENDITURE (THOUSAND EUROS)	2005	2006
Air quality and climate protection ^(*)	10,064	2,593
Water protection	7,475	22,828
Waste management	2,640	1,971
Vibration and noise protection	9	43
Soil and underground water protection	8,642	8,154
Biodiversity and landscape protection	257	330
Other environmental protection activities	1,278	1,056
Safety	6,141	7,356

(*) Costs incurred with fuel quality are not included.

In 2005, capital spending included the construction of a tank farm at Caniçal (CLCM), one of Europe's logistics facilities with the highest degree of automation, including operations control with all logistical stages monitored in compliance with the most demanding international safety and environmental standards.

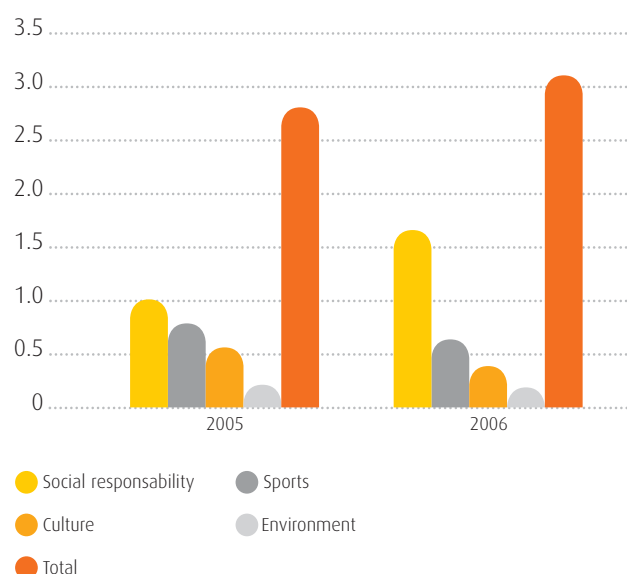
3.9. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The values underlying CSR are ever-present in the Company's operations. The attainment of Galp Energia's goals has actually implied rethinking the organisation in order to incorporate CSR in the daily business. To this end, the Company subscribed to the letter committing business to the Millennium Development Goals

in the framework for the United Nations' Zero Poverty Campaign. In 2005 and 2006, particular attention was given to instilling and spreading basic CSR values and concepts through the participation in technical committees set up by Instituto Português da Qualidade ("IPQ") for the preparation of national standards in this area. Generically, the actions taken by the Company to promote CSR rest on four major pillars:

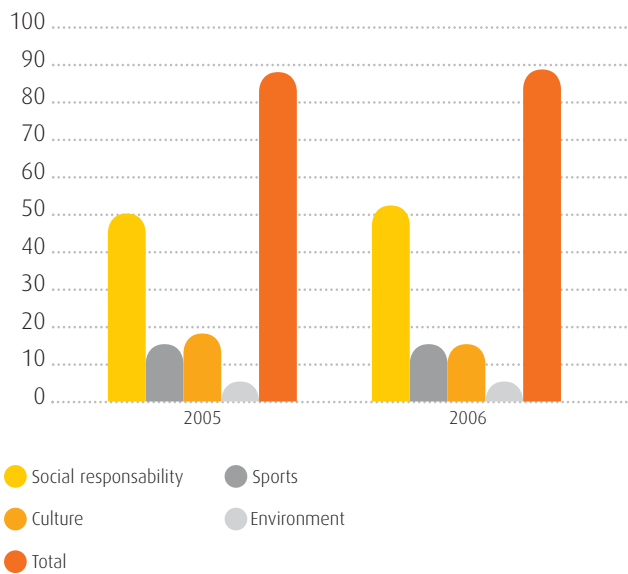
1. Support to education and science;
2. Commitment to environmental issues;
3. Solidarity initiatives;
4. Support to culture and sports.

SUMS SPENT ON SUPPORTING CSR, ENVIRONMENTAL, SPORTS AND CULTURAL INITIATIVES IN 2005-2006. MILLION €



As illustrated by the graph above, financial support to CSR activities such as solidarity initiatives, support to education and science and employee development and well-being grew significantly in 2006, by around 6%. This means that not only did overall spending grow but it also focused on social actions.

Nº. OF CSR, ENVIRONMENTAL, SPORTS AND CULTURAL INITIATIVES IN 2005-2006



In terms of the number of initiatives, social action, education and science dominated.

The text and tables below describe some of the activities that were developed in the period in several CSR fields.

» SUPPORT TO QUALITY EDUCATION ON THE ENVIRONMENT

Several projects carried out by the Company will recur in the future, which shows Galp Energia's commitment to giving a decisive contribution to environmentally-related educational actions.



PROJECT	DESCRIPTION
Eco-schools	<p>Aims to promote learning about energy efficiency and behaviour patterns favouring environmental conservation.</p> <p>The main goal of the Energy for an eco-reporter contest in 2006 was to provide information to students, teachers and parents about issues relating to energy efficiency and sustainable mobility while motivating children for writing in general and environmental journalism in particular.</p>
Reprinting of a children's leaflet about the Oporto refinery	Helps the young to learn about the stages of the energy process by explaining the origin of oil, the way this commodity arrives at the refinery and the several transformations it undergoes for the manufacture of products such as petrol and diesel, oils, aromatics, solvents and lubricants.
Talent development	In the area surrounding the Sines refinery, a series of cultural events was staged under the theme of Come and find out about your refinery. The five schools from the counties of Sines and Santiago do Cacém which participated in the project built models, produced paintings, drawings and tiles and a winner was selected in the end.
Prizes for the best students	Locally, both refineries – in Oporto and Sines – award prizes to the best students in the schools of surrounding communities and donate laptop computers to schools and the student who has obtained the highest marks.
Visits to facilities	Galp Energia equally promotes school visits to its premises, thereby strengthening relations with the community by allowing access to a unique industrial sector in the country.
Spending on training	Compensation for exploring oil on Angola's Block 14 includes spending 15 cents per produced barrel on training initiatives defined by the local government.

» SUPPORT FOR ENVIRONMENTAL ACTION

PROJECT	DESCRIPTION
Galp's Environment Week	The goal of the Environment Week held at the Serralves museum and Badoca Safari Park was to provide a scientific approach to nature while fostering a sense for environmental responsibility.
Eco-Home	The project uses an innovative tool named Virtual Home which allows the user to simulate energy consumption in the home while viewing its thermal behaviour. Under this project, Galp Energia also supported the Eco-families programme whose purpose was to identify actual and potential energy consumption by Portuguese families as well as the potential for savings.
Forest Fire Initiative	As a member of COTEC – Corporate Association for Innovation, Galp Energia participated in this project.

» EMPLOYEE DEVELOPMENT AND WELL-BEING

CSR at Galp Energia is not only directed to the surrounding community but it also includes initiatives involving employees. Under the Galp Lives project, employees contribute their memories to a virtual museum for their lives – Museu Virtual Vidas Galp – through the use of multimedia functionalities.

(<http://vidas.galpenergia.com>)

This innovative project, which is unique in Portugal, is built on the sharing of experiences, views and feelings recorded by audio and video and put into an historical context. The driving force behind this project is social responsibility towards employees through social recognition of their individual contribution to the Company.

» VOLUNTEER WORK

Among the several community actions in 2005-2006, the construction of a children's park at Mont'Alto, Arganil, is particularly worth mentioning. The initiative followed from a teamwork exercise during an integrated training programme for managers from the Retail business area. The purpose, which was enthusiastically supported by all employees involved, was to combine the training session with the creation of something palpable which could later be used by the children.

A similar initiative was taken by 160 employees from the Natural Gas Unit, who refurbished a home for elderly people in Albufeira. Organised in several teams, the employees undertook such diverse tasks as painting, furniture-assembling, electricity installing, fitting, sewing and cooking. The Workplace Medicine department stages regular blood-taking sessions.

» SOCIAL INCLUSION ACTIONS

In February 2005, Galp Energia signed with CADin, an institution devoted to children with developmental disabilities, a cooperation agreement for the integration of disabled youths at Service Stations. Under this project, named Positive Synergy, the youths were integrated in teams at Service Stations under the supervision of doctors and technical staff from CADin, who also trained the Service Stations employees.

» CLIENT'S GUIDE IN BRAILLE

In order to facilitate everyone's access to the Client's Guide, Lisboagás, Lusitaniagás and Setgás publish in cooperation with ACAPO, the national association of the blind, this document in Braille. In addition, Lisboagás invoices in Braille upon request.

» SOLIDARITY ACTIONS

INITIATIVE	DESCRIPTION
Christmas action	In the last two years, support consisted of the donation of a van to the Community, Life and Peace organisation for its street contacts with the homeless and the sale of CDs featuring Família Galaró. The proceeds of the latter initiative went to the Cradle Help association, selected by all Galp Energia employees through an online vote.
«Christmas all year round»	The starting point for this initiative was the construction in 2005 of a 20-metre high, giant Christmas tree, assembled at the door of Pavilhão do Conhecimento – in Lisbon's Nations' Park – by children using Galp Energia barrels. In 2006 an agreement was signed with the Operação Nariz Vermelho association for the organisation of visits by the "Dr. Clown" duo to more than 20,000 children staying in hospitals across the country. Donations made it possible for visits to be paid to these children all year round.
Cape Verde and Guinea-Bissau	Promotion of several solidarity campaigns (collection of toys, books, computers and essential goods) for the Portuguese-speaking African countries. In 2005 the destination was Cape Verde and in 2006 Guinea-Bissau where donations were handed over to the country's SOS organisation, which looks after 200 children in its two villages.
Cape Verde	Celebration of the International Children's Day by organising a go-kart race to make the young aware of road safety and the need to comply with driving rules. In order to build on this initiative, several events were held at Brincolândia Park. This go-kart circuit reconciles play with road safety training whereby traffic lights, crossroads and pedestrian crossings were introduced in order to simulate real traffic situations. Galp Energia let build a mini service station on the park and invited users to simulate a refuelling operation under compliance with security rules. In 2005 the Company contributed to the refurbishment of the Amílcar Cabral Foundation and in 2006 it sponsored the Cesária Évora musical association.
Brazil	The Petrogal Brasil-Petrobras consortium agreed – as a compensatory action for oil exploration – a social project with the Mucuri municipality under which computer equipment, furniture and schoolbooks were donated to schools in rural areas. The project's main objectives are: environmental information and education through research in books and the Internet; access to the Internet to obtain information about other subjects; contacts with other people and schools for the exchange of information on a variety of subjects; spread of information on regional eco-systems nearby the districts of Nova Brasília, Cruzelândia e Costa Dourada.
IPO	Galp Energia signed a frame agreement with the Portuguese Cancer Institute in Lisbon whereby the Company will support the purchase of equipment and the refurbishment of the paediatrics department facilities. In order to facilitate implementation of the plan, Galp Energia will contribute a donation that will fund urgent repair work.



INITIATIVE	DESCRIPTION
Cradle Help charity	Galp Energia supported this solidarity institution and funded, for a year, all expenses incurred with one resident child.
Believe charity	Galp Energia supported this charity by funding in 2005 operation of one of the twelve bedrooms the institution maintains.
Gil Foundation	Galp Energia made available its M24 stores at service stations for the sale of Gil mascots (the Expo'98 symbol). Proceeds were intended for funding the set-up of home help units at hospitals.
APCL - Portuguese leukemia-fighting Institution	Galp Energia supported APCL's 3 rd Concert which featured conductor and tenor José Cura and whose proceeds provided funding for the leukaemia-fighting institution.
Solidarity campaign Emanuel, "blue boy"	Fund-raising through the sale of books and original paintings by Emanuel's mother to the Company's employees. The Clube Galp Energia also participated in this campaign.
Support to natural catastrophe management	In 2005, the Company supported the victims of the tsunami in Ásia and funded research on seismic events in Portugal.

» SUPPORT FOR CULTURE

Galp Energia supports, inter alia, the temporary exhibition The Belém Palace at the museum of the presidency, the Casa da Música Foundation, the Serralves Foundation and the Centro Nacional da Cultura. Beyond these prominent sponsoring initiatives, the Company also supports several fire brigade bodies, cultural and leisure associations, county councils, municipalities, schools and youth organisations.

» SUPPORT FOR SPORTS

The Portuguese Federation of Sports for the Disabled, Galp Energia and the Luís Figo Foundation signed an agreement to sponsor the Super Athlete Beijing 2008, thus building on the success achieved by the project organised for the Paralympic Games Athens 2004. This partnership enables the Super Athlete Project to materialise including society's mobilisation for the paralympic movement, the sponsoring of new sports, the acquisition of new people and the raising of funds for the preparation and organisation of paralympic missions. Galp Energia is the main sponsor of the Paralympic Mission and the Super Athlete Beijing 2008 Project. Generally, the Company

sponsors sports events across the country and, particularly, in the local communities where it operates. The Company also supports several local sports associations.

» STRUGGLE AGAINST SOCIAL EXCLUSION

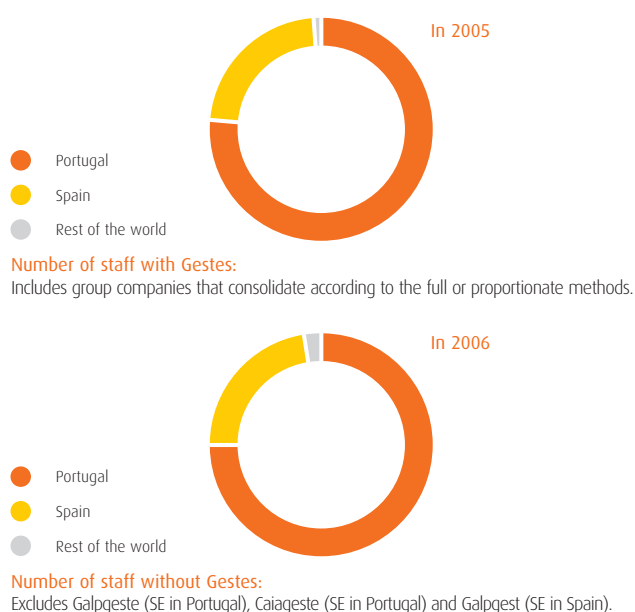
In the 2005-2006 period, several sponsoring actions were focused on the support for social groups exposed to exclusion risk such as disabled persons and children bearing chronic disease.

3.10. HUMAN CAPITAL

Nowadays it is widely held as true that an organisation will be all the more successful as it manages effectively its human resources. Effective management consists of creating both good-quality working conditions and an environment that stimulates creativity.

» PROFILE OF THE COMPANY'S HUMAN CAPITAL

At 31 December 2006, the Galp Energia group companies had a total of 5,877 staff, or 32 less than at the end of 2005. Since 2006, the consolidated staff count includes the 257 employees of Petrogal Brasil, GESB (Galp Exploração Serviços Brasil, Petrogal Moçambique, Petromar, Petrogás Guiné-Bissau, Petrogal Angola and Fast Access. Therefore, excluding this addition, the number of staff declined in 2006 by 289. This reduction resulted, on the one hand, from the sale to REN of

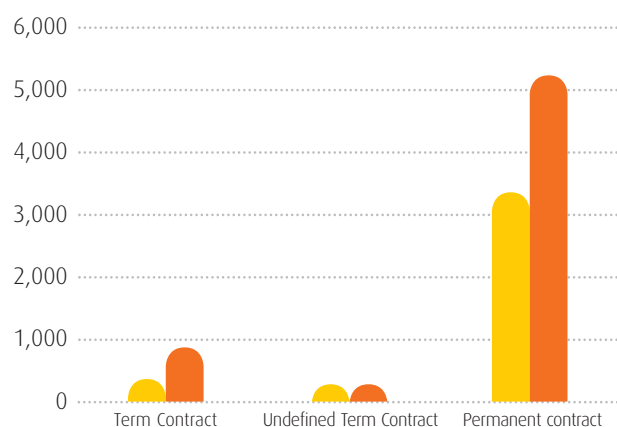


Transgás Atlântico, with 32 staff, and Transgás, SA, with 156 staff, and, on the other hand, from restructurings in 2006 which entailed a plan for staff reduction.

As for the distribution of the labour force by region, the growth of the number of staff in the rest of the world stands out because of the inclusion of companies in Brazil and Africa. This development has enhanced ethnical and nationality diversity at Galp Energia.

As can be viewed in the graph, the majority of employees at group companies have a permanent employment contract.

NUMBER OF EMPLOYEES BY TYPE OF CONTRACT, 2006

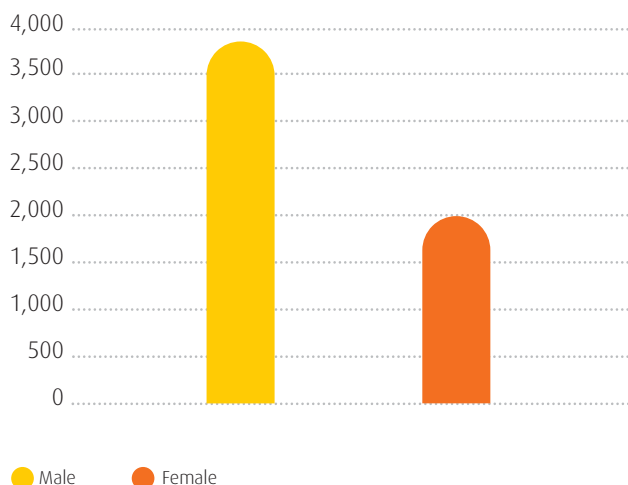


● Number of employees excluding Gestes ● Number of employees including Gestes

Notes: Number of employees including Gestes: Includes Galp Energia group companies that are full or proportionally consolidated.
Number of employees excluding Gestes: Excludes GalpGeste (Service Stations in Portugal); Caiageste (Service Stations in Portugal) and GalpGest (Service Stations in Spain).

In 2006, the average age of staff (including personnel at service stations – GESTES), was 39 (39.5 at 31 December 2005), while seniority was around 11 years, virtually the same as the year before. At the end of 2006, 36% of the staff (including GESTES), or 2,087 employees, were female, which was an increase of 2 percentage points compared to 2005.

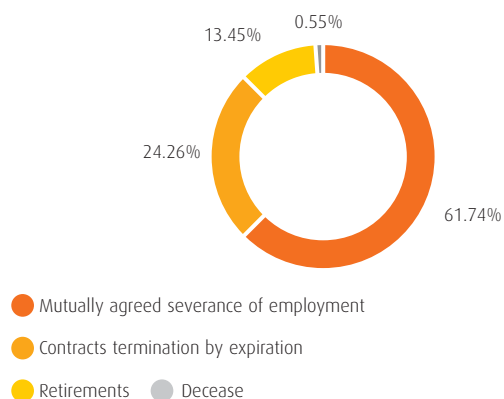
NUMBER OF EMPLOYEES BY GENDER



At the end of 2006, 83% of staff was covered by collective labour agreements.

» DEPARTURES OF STAFF

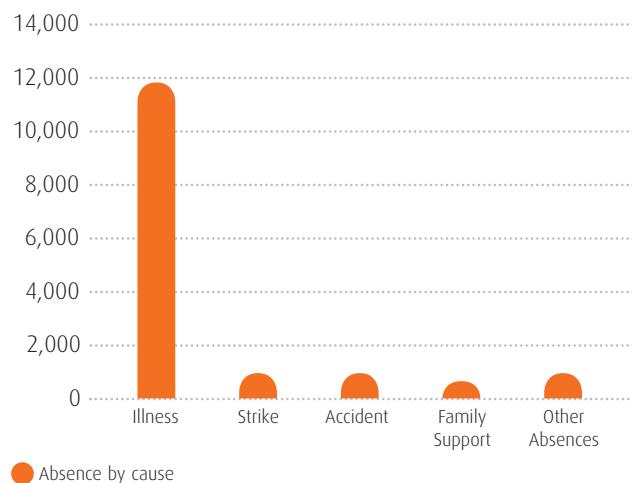
Most departures in 2006 were due to mutually-agreed severance of employment – 560 out of a total of 907 departures.



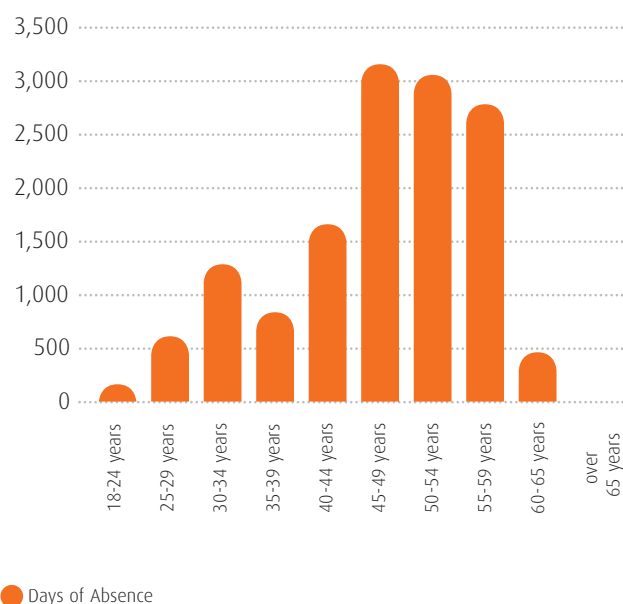
» ABSENTEEISM

Average absenteeism at Galp Energia in 2006 was 1.88%, which was significantly lower than the 6.9% national average according to the Ministry of Labour. The total number of lost days was 13,724, with most absences caused by illness.

DAYS OF ABSENCE BY CAUSE



DAYS OF ABSENCE BY AGE COHORT



Minimum benefits made available to employees follow the provisions of the Labour Code.

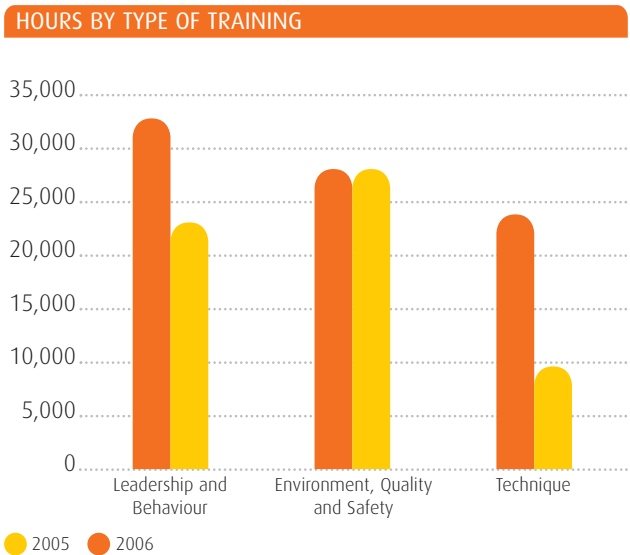
» STAFF TRAINING

	2005	2006
Number of training hours	99,752	94,652
Average number of training hours by employee	36.51	36.22
Attendance	8,794	7,175

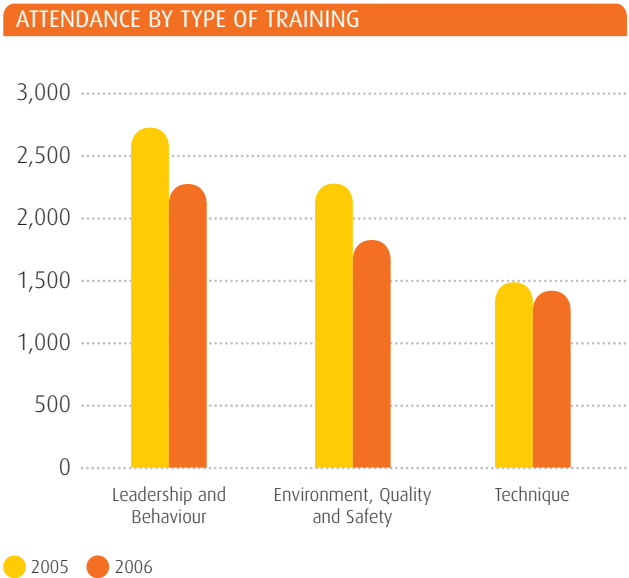
Table 11 – Total training hours and average number of training hours by employee

The average training time per employee in 2005-2006 was, as shown in the above table, 36 hours per year (with a slight decline in 2006), which was well above the national average of 26 hours according to the Ministry of Labour.

In recognition of people management as a critical success factor for the business, a strategic plan was drawn up in 2006 for performance and career management which involved a



pilot group of close to 1,200 staff. The purpose of the plan was to manage staff performance in a strict and transparent way. For the training programmes, Universidade Católica was selected for Management and Escola de Gestão do Porto, ASCORP and Performance & Development were chosen for the behavioural disciplines.



Due to the risk inherent to a large part of labour activities at Galp Energia, training in environment, quality and safety is one of the three most important training classes.

The table below shows selected training actions in the 2005-2006 period:

Environment, Quality and Safety ("EQS")	<p>Training in defensive driving for all staff driving Galp Energia vehicles</p> <p>Theoretical and practical training aimed at developing the skills of service station staff in order to achieve operational and service excellence in partnership with the business areas and in alignment with Retail objectives.</p>
Behavioural	<p>Training involving standby and emergency personnel from Lisboaagás with a focus on behavioural attitudes, compliance with the procedures and promptness in solving reported problems.</p> <p>Welcome course for new employees at Galpgeste for the purpose of achieving better and quicker integration as well as adoption of the Galp Energia culture.</p>

The School Station is the unit which is responsible for the training of personnel at Galp Energia's retail outlets.

Its mission is to provide theoretical and practical training services for the sustained development of employee skills at service stations so as to ensure service and operational excellence in partnership with the business and in alignment with the objectives of Retail.

The School Station's purpose is to convey operational excellence concepts and practices to the trainees in such a way that service quality levels and compliance with the EQS standards at service stations should attain the highest standards.

Bearing in mind this brief and building on the work of earlier years, the School Station conducted in 2006 training actions in the EQS area as described below:

EQS 1 (Environment, Quality and Safety, Level 1) – This course's objective is to give participants (service station personnel) knowledge about potential risks to operations, main equipment, best operating practice and the adequate steps to be taken in emergency cases. The session is both theoretical and practical and lasts for 7 hours. Thirty-six sessions were staged over the country involving 365 trainees and five instructors covering the whole Galp network.

PEI (Internal Emergency Plan) – This was a training action for instructors, which was exclusively organised for the Galpgeste network and was targeted for managers and operations coordinators. The purpose of the action was to

to provide participants with the skills for preparing staff to act safely in an emergency situation, thereby safeguarding the physical integrity of all clients and their own while protecting facilities and equipment alike. Eight actions were carried out that involved 62 trainees and 3 instructors.

In parallel with the aforementioned actions and for the purpose of strengthening internal skills the whole School Station's instructor team attended in 2006 the following courses:

- 70-hour training of instructors in safety and fire-fighting at Services Stations;
- 21-hour First-help course.

Both courses were provided and certified by the National School of Firefighters.

Many EQS courses are extended to companies working in the Company's premises. In 2007-2008, Galp Internacional will involve all its employees at parks, other industrial facilities and service stations in at least one EQS training action. For service providers and resellers the objective is to raise safety standards by investing in employee training and qualification.

» PERFORMANCE APPRAISAL AND CAREER MANAGEMENT

Nearly 71% of the staff is covered by performance appraisal and a career management system. This scheme is applied to permanent and fixed-term workers.

	PERFORMANCE APPRAISAL 2005	HEAD COUNT, GROUP COMPANIES (31.12.2005) ^(*)	PERCENTAGE OF EMPLOYEES COVERED BY PERFORMANCE APPRAISAL AND CAREER PLANNING
Number of staff ^(*)	4,189	5,909	70.89%
Processed companies	2,866	3,105	92.30%
Other companies	216	597	36.18%
Gestes	1,107	2,207	50.16%

Conditions:

(*) The performance management system covers solely permanent workers and those on a fixed-term employment contract for six months or longer

(#) Does not include employees at group companies consolidating by the equity method. Does not include trainees. Does not include any governing bodies.

Table 12 – Performance appraisal regime.

» TALENT SEARCH

Galp Energia promotes the renewal of its managers by searching new talent to increase competitiveness and strengthen its structure. The Trainee Programme is a good example of regular interaction between Galp Energia and the university community. Beyond this initiative, Galp Energia participates in events promoted by several universities around the country in order to obtain new contacts and curricula for future recruitment occasions.

» PENSION PLANS

The Company offers its staff defined benefit and defined contribution plans, although only the latter ones confer acquired rights in case of departure, provided the employee has been with the Company for three or more years.

Most plans are funded by pension funds. This is the case for the defined-benefit pension plans of group companies for complementary retirement pensions, old age, disability and survival and also for early retirement at LisboaGás and Driftal. The other plans and benefits are covered by provisions. The

objective of the Company's defined-contribution pension plan is to pay benefits in case of age retirement, disability or death. Under this plan, group companies contribute 3% of the pensionable salary of each employee.

The employee may also make contributions; under this scheme, Galp Energia shall make an additional contribution equal to the amount contributed by the employee up to the limit of 1% of their pensionable salary. Both the Company's and the employee's contributions are entered on individual accounts.

Additional information is available in Galp Energia's Annual Report

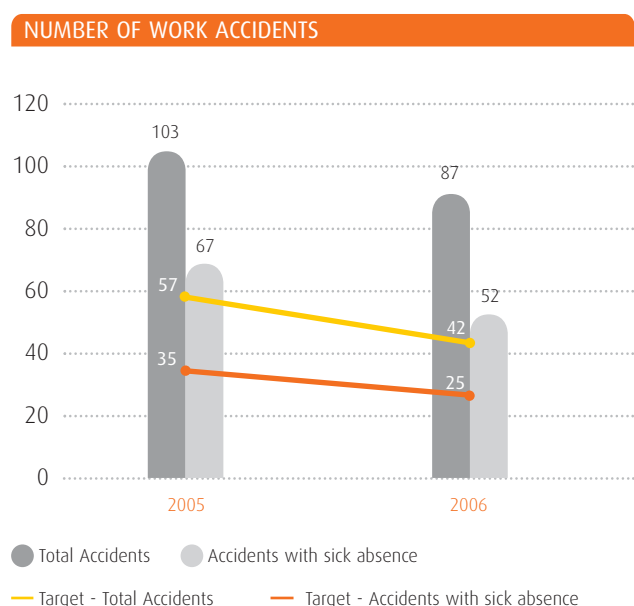
» REMUNERATION

In markets outside Europe where Galp Energia operates, the entry salary is higher than the local minimum salary.

» SAFETY

Safety is a critical value for sustainable business management. The safety of both people and processes is a valuable asset that concerns everyone, everyday. In 2006, existing safety programmes continued, with objectives always set from a continuous-improvement perspective and with the goal of attaining a zero accident rate across the Company.

The outcome of work accidents in 2005-2006 is presented in the following graph:



The number of accidents causing sick absence at Galp Energia (considering both the Portuguese and the Spanish operation) declined by close to 22% while in total accidents the reduction was 15%. The declining trend in the last few years continued, although this year the reduction is larger in the Portuguese operation. Disclosure of work accidents and prevention after the causes have been investigated are tools of an organisational culture that considers safety as a paramount corporate value.

» HEALTH

All Galp Energia staff have a right to healthcare. In addition, the Company's healthcare policy also provides for the payment of allowances in the following cases: illness or accident; disability for work accident or professional disease; indemnities in case of a work accident; support for disability. In the hiring process, prospective employees undergo medical examinations which are regularly repeated in accordance with what is stipulated in the Labour Code. In terms of healthcare, collective agreements cover unionised employees (see table in Appendix III).

3.11. SOCIAL CAPITAL

Business organisations are not insulated from society. On the contrary, they play a crucial role in its economic and social sustainability. Their social capital is the way in which that role is played. To this end, when conducting its business operations, Galp Energia endeavours to interact with society in a way that will bring benefits to all parties.

» LABOUR RELATIONS

The labour organisations representing the employees – trade unions and workers' councils – are essential talking partners for the sustainable and equitable management of the Company. In order to foster a transparent relationship with the workers' council, monthly meetings are held with this body. The meetings are attended by council representatives, the Company's human resources manager and any other persons whose presence is deemed necessary to clarify any issues raised by the council. The minutes of these meetings are subsequently circulated to the employees represented by the council.

There is also a central committee for hygiene and safety on the workplace, with sub-committees representing the Company's

buildings, parks and refineries. The activities of this body are a decisive element in the prevention of accidents and job risks and in the promotion and vigilance of the employees' health. Both the central committee and the sub-committees are composed of employees at the respective group companies represented by trade unions. The outcome of their regular meetings is posted on the Company's intranet. For the employees working at group companies represented by the trade unions, safety matters are governed by the collective labour agreement. The percentage of the labour force represented by the Hygiene, Health and Safety committee in 2005 and 2006 was 39% and 42.2% respectively.

» PRODUCT RESPONSIBILITY

Product safety

Another important dimension of Galp Energia's social capital is its responsible manufacture of products. The client's trust in the safety and quality of the Company's products and services is a critical-value business and social asset.

With Regulation 1907/2006 of 18 December 2006 (REACH - Registration, Evaluation, Authorisation and Restriction of Chemicals) coming into force, the EU introduced a radical change to its chemical products policy. According to this regulation, companies producing or importing chemical substances from outside the EU have the duty to evaluate their physical, chemical, toxicological and ecotoxicological hazards as well as propose adequate steps, along the supply chain, to manage risks likely to arise from their use.

If they do not comply, the companies are not authorised to either produce or import those substances. In 2006, data compilation consisted of the following actions:

- A preliminary listing of all produced substances and their identification according to the European Inventory of Existing Chemical Substances;
- A preliminary listing of all relevant data for the evaluation of risks for selected families of products;
- A listing of suppliers of purchased chemical products;
- Drafting of letters to be sent to suppliers in order to make them aware of their duties in the framework for REACH and simultaneously evaluate their intentions regarding registration of the supplied substances;
- Listing of chemical products purchased within and outside the EU (process products and additives);

In a parallel action, the uses of Galp products by clients started to be listed. The listed uses will in 2007 be checked with the clients as knowledge about them is a fundamental prerequisite for the evaluation of risks which must be jointly filed when applying for registration.

There was no record of non-compliances with any regulations or voluntary codes regarding the impact of products or services on either health or safety.

Marketing communications

In 2005 the Marketing and Innovation department carried out a customer satisfaction survey for business clients. The measured global rating was 2.87, which compared to an objective of 2.89. Therefore, the score was considered as 'good'. The main factors influencing this result were commercial relations, trust in the brand and the performance for lubricants. Among the proposed

improvements, better support for reseller initiatives and closer contact with the end consumer were mentioned. The legal framework (Decree-Law nº 330/90 of 23 October 1990) which is applicable to marketing communications – including advertising, promotion and sponsoring – is entirely complied with. Galp Energia also fully respects its clients' privacy. In the normal course of its business, the Company consistently uses client databases that are duly registered with the National Board for Data Protection, regarding the conditions under which they may be used. In this context, no clients filed any complaints regarding undue use of the databases or any breach of confidentiality.

» SOCIETY

Due to its prominent position in the domestic energy sector, Galp Energia has the obligation to participate actively in relevant trade and professional associations, to contribute to the formulation of public policies such as the creation of municipal or regional energy agencies, technical and scientific associations, domestically as well as internationally. The table lists some of the organisations where Galp Energia is a member.

PORTUGAL	APETRO
	COGEN
	AIP
	AP2H2
	BCSD
	CIP
	ISQ
	ITG
	FAE
	ELO
	UCCLA
	Competitiveness Forum

EUROPE	EUROPIA
	ECGI
	OME
	OCIMF
	COGEN EUROPE
	EPCA
	EUROGAS
	CONCAWE
MOZAMBIQUE	AMEPETROL
	CCPM
ANGOLA	CCIPA

Regarding the application of sanctions due to the failure to comply with laws and regulations in force, the European Commission sued Galp Energia in a case where it claimed that the Company had participated, between 1994 and 2001, in a cartel of several companies operating in the Spanish bitumen market, allegedly consisting of market sharing and price-fixing. A final decision on the case is awaited in the second half of 2007.

Human rights

In 2005-2006 no incidents were reported in this area. In order to formally build this element into the business process, the International Oil area will include from the second half of 2007 human rights clauses in all supply contracts, namely regarding the ban on child labour and the strict compliance with labour laws.

3.12. RESEARCH, DEVELOPMENT AND INNOVATION ("RDI")

Galp Energia's actions in these areas are focused on the creation of value for all stakeholders – not only for the Company's clients through their satisfaction and loyalty but also internally in terms of the processes, seeking improvements in effectiveness and efficiency following best practice and innovation in the sector.

In 2006 the Company's innovation system started to be designed and implemented with a focus on the generation and absorption of innovation skills. The purpose is to develop the required mechanisms across the Company for innovation to happen in a systematic way, thereby generating value through the acceleration and streamlining of processes designed to develop new business concepts, products and services. The expected result of this project is a number of precise actions taken for generating new cross-divisional opportunities, fostering the broad participation of employees from all business units and stimulating the support and funding for new ventures in a controlled-risk environment. In this report, emphasis is given to the RDI processes that contributed to business sustainability and are identified and detailed in a specific RDI report. The types of research, development and innovation followed the parameters defined by the Portuguese Standard for Research, Development and Innovation (NP 4456).

The graph shows the type of projects completed for each type of innovation in accordance with the definitions described in NP 4456. In Appendix II it is possible to view a table with the main completed projects. In the long run, Galp Energia is focused on driving its innovation efforts on three fronts:

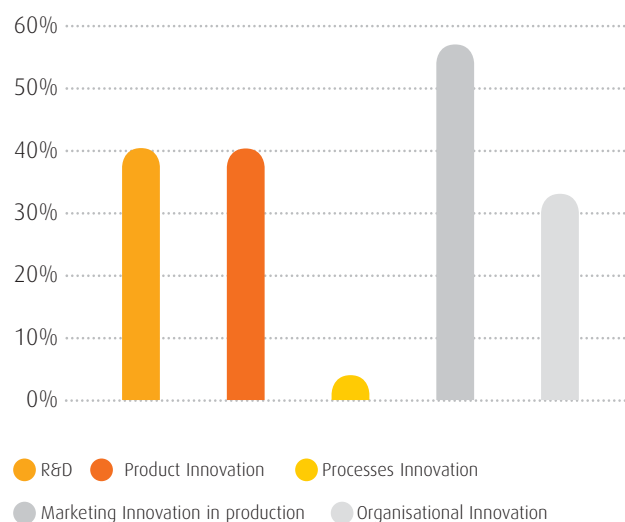
- By providing clients with new solutions and products in line with the new challenges and social and environmental responsibilities which are inherent to the Company's dimension in the energy sector;
- By using technology to raise efficiency and improve the performance of facilities in order to boost returns on assets;
- By identifying new lines of business leading to value creation.

Regarding the types of RDI activities (according to the NP 4456 typology), the 'Process innovation' category has strengthened its dominance (45%), followed by the 'Organisational innovation' and 'R&D' categories with a slight decline for the latter. This pattern means that the fundamental knowledge created at Galp Energia as well as the concluded partnerships are primarily targeted at improvements and new manufacturing and distribution processes. On the other hand, the trends for product innovation and marketing innovation continued to fall. Total investment in RDI activities in 2006 was 6.4 million euros.

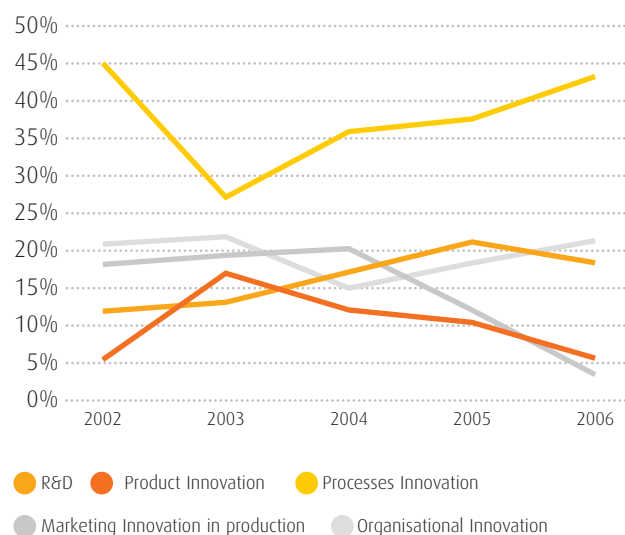
» PARTNERSHIPS WITH THE SCIENTIFIC COMMUNITY

With a view to stimulating technological transfer between the national system and the Company, a number of agreements for scientific cooperation were signed. Among these, the agreements with LNEC, the University of the Azores, the University of Coimbra, the ISEC, the Nautical School, the FEUP and the IST stand out. Several projects, listed in Appendix II, were developed at the Sines refinery in partnership with both the Chemical Engineering department of Instituto Superior Técnico and the University of Coimbra. The Company also participated in several projects sponsored by COTEC Portugal not only through financial support but also through the participation and involvement of managers towards identifying specific scientific or technological areas, also included in Appendix II.

RDI ACTIVITIES WHICH CONTRIBUTED FOR SUSTAINABILITY, 2005-2006.



TYPES OF RDI ACTIVITIES, 2002-2006





4. STAKEHOLDER ENGAGEMENT

AT GALP ENERGIA, WE ARE COMMITTED
TO THE CONTINUED PUBLICATION OF THIS
DOCUMENT; WE WANT OUR STAKEHOLDERS
TO KNOW US AND JUDGE US OBJECTIVELY
FOR WHAT WE ARE AND DO.

4. STAKEHOLDER ENGAGEMENT

Sustainable management requires that the organisation should not only identify its stakeholders but should also build channels for a consistent, transparent and clear dialogue. Only in this way will the organisation be able to create maximum value in a balanced and sustained manner and in harmony with its environment. In this first report, the objective was to list existing stakeholders and the appropriate

mechanisms for engagement so that Galp Energia can in the future deepen and improve relationships. However, in the present document, when describing the engagement process, such stakeholders are mentioned for which communications channels have been or will be significantly altered.

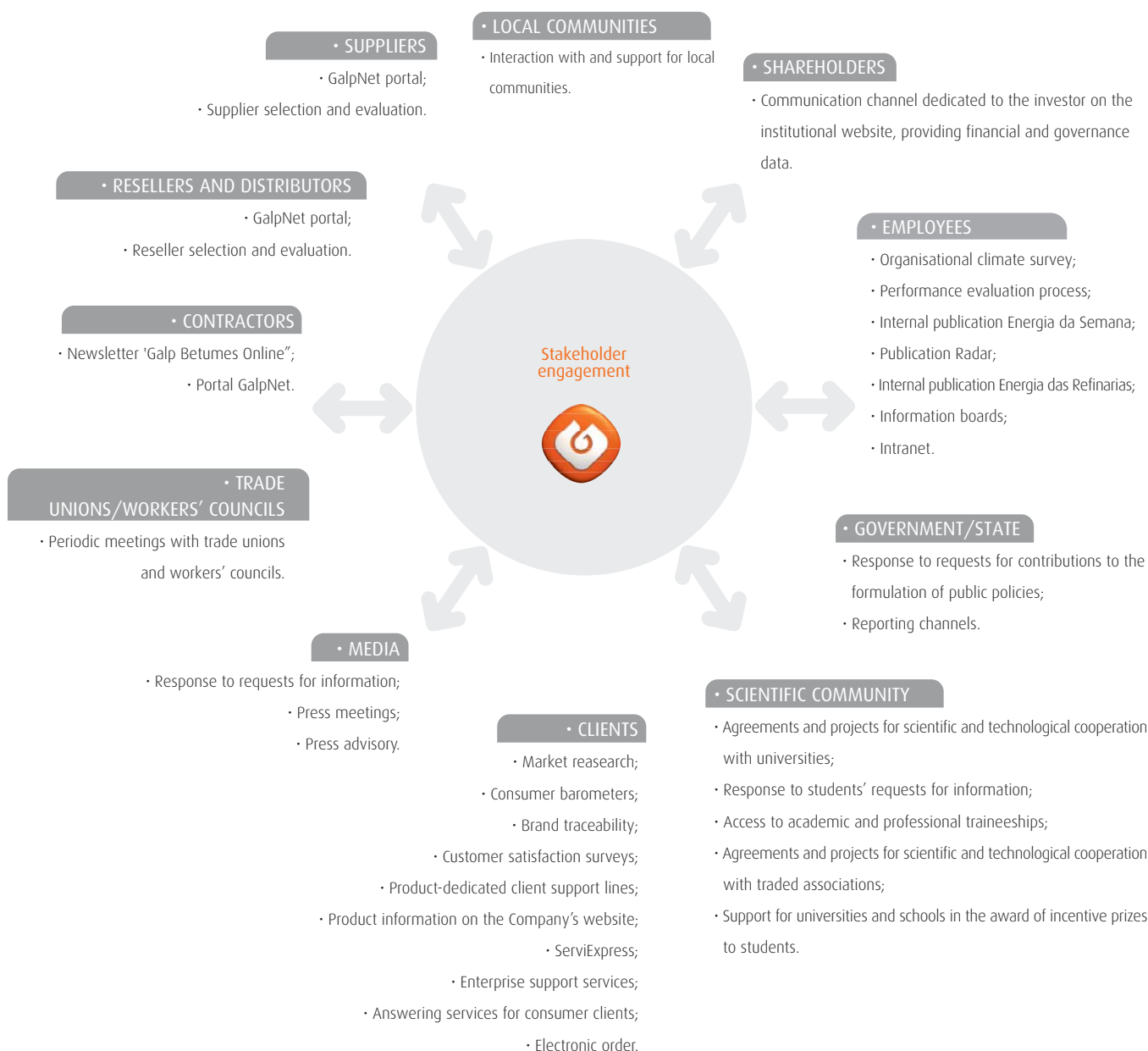


Exhibit 4 – Stakeholder communication channels

4.1. INVESTORS

Galp Energia's flotation made it imperative to communicate in a complete and transparent way the Company's financial performance and governance practices. To this end, an Investor Relations Division was created for the purpose of establishing adequate communications with investors. In addition, an investor portal was created where essential information is made available to the market

(<http://investor.relations.galpennergia.com/galpir/vPT>).

4.2. MEDIA

Information to the media is channelled through the communications department. All information to the press is available on the Company's website. With a view to facilitating a more integrated access to information and according to the specific needs of the media, a dedicated portal was created in 2007.

4.3. RESELLERS AND DISTRIBUTORS

Resellers and distributors are strategic players in the human capital network for value creation by the Company. To this end, the relationship with Galp Energia emphasises a quality performance whereby merit is rewarded.

One of the initiatives embodying this principle is Programa Estrela which consists of a performance management system for resellers defining financial incentives to the reseller network. In this way, resellers are evaluated quarterly on a number of related aspects such as service quality, business image and safety information available at sales outlets. This system is implemented in the retail business units (service stations) and LPG and implementation is planned for distributors at Galp ServiExpress. Ratings have a direct impact on commercial terms which translates into a strong incentive to the reseller network.

INDICATOR	2004	2005	2006
Conversion rate (0-100%)	64.4%	69.7%	71.1%
IGS (1-3)	2,049	2,090	2,156
Total quality (1-3)	2,095	2,136	2,174
Promptness (min: sec)	3'26"	3'23"	3'14"
Safety (1-3)	2.65	2.71	2.09

In retail, 550 stations were awarded a prize in 2005 while the number in 2006 was 600. In LPG, in 2006, fifty resellers received a prize, which represented a considerable growth compared to the year before, when only 22 resellers had reached a service quality level which was higher than 75%.

In the resale of LPG, two initiatives were launched towards strengthening safety conditions in the operations of the Company's partners:

- The publication of Flash Segurança, a newsletter focusing primarily on the rules and standards governing the distribution of LPG with illustration of practical cases and advice on implementation;
- The creation of a permanent pool of news posted on the Galp Net portal about accidents in the use or distribution of LPG so as to raise awareness of the impact of such events and provide leads on the continuous improvement of risk mitigation.

In 2006, a panel of service station and gas retailers was created, where information and market and customer knowledge are regularly collected with quarterly iterations. In order to create a strong incentive for the compliance with best practice in environment, quality and safety in the domestic retail network, an EQS bonus was introduced in 2005 to be awarded to resellers enforcing their compliance.

4.4. SUPPLIERS

The Company's involvement with its suppliers consists of a transparent and standardised relationship which builds on an internal regulation for the evaluation and rating of suppliers and an electronic system that supports the transactions. The supplier evaluation and rating system makes it possible to improve the management of supplied goods and services. Using this mechanism, the Company selects the best partners in order to establish relationships for mutual benefit, thereby increasing the ability of both parties to create value and customer satisfaction. These processes are required by quality systems and aim to rationalise the set of significant-item suppliers through their qualification and evaluation per specialty, simultaneously ensuring deeper client-supplier relationships and optimised procurement in terms of cost, time and specification. All relevant information about the process of qualifying and evaluating suppliers is available on www.galpennergia.com.

Relationships with selected suppliers are handled through the GalpNet portal (a digital channel dedicated to the Company's business partners) and Forumb2b.com, an e-business platform that covers the companies' whole purchasing process: cost analysis, qualification, negotiation and selection of suppliers, electronic catalogues, order generation, order execution, supplier management and electronic presentation and checking of invoices. These applications may be adapted to the specific needs of each organisation and integrated with its internal management systems. With this platform, it is equally possible to manage average time for paying to suppliers, which was 32 days in 2006.

4.5. CLIENTS

When dealing with its clients, Galp Energia supplies high valued-added products and services which are produced, whenever possible, in a sustainable and ethically responsible way. Recognition of this is evidenced by the clients' level of awareness which is close to 98%. In addition, the Company was considered, in a domestic poll conducted in 2006 for the "European Trusted Brands" survey, to be the most trusted brand among oil companies. In order to better respond to the needs of its clients, and in addition to the traditional methods of brand traceability, Galp Energia regularly conducts market research and other systematic measurements. The following consumer barometers are periodically performed:

- **Marktest Consumer Panel Fuels and service stations:** Reviews monthly consumption of services at service stations on the basis of invoices issued by suppliers;
- **Barometer Auto:** Half-yearly review for the purpose of classifying the domestic passenger car park as well as consumption patterns at service stations.

Both consumer and business clients can communicate with the Company through several channels such as the telephone or the Internet. Business customers can also use the 'Client Manager' functionality as it enables direct and effective communications. In addition, the client can access updated information about reference prices of Galp products.

» LISBOAGÁS CUSTOMER SATISFACTION COMMITTEE

In 2006, Lisboaagás created its Customer Satisfaction Committee (“CSC”), a cross-sectional forum for reviewing, discussing and promoting solutions to raise effectiveness in processing client complaints. One of the most frequent reasons for systematically losing clients is not so much the way in which a complaint is handled but the inability to go to the root of the problem. With this mindset, the CSC seeks to maximise customer satisfaction, to adopt new processes for value creation and to optimise operational tasks.

4.6. INTERNATIONAL COMMUNITY

In 2006, Galp Energia participated in FILDA, an international fair held in Luanda and Angola’s main business event. The Company’s showroom had an institutional orientation and was exclusively dedicated to the oil sector, conveying Galp Energia’s global perspective to visitors. The Company’s presence in the event reflected its values and operations, namely internationally, in exploration, refining and marketing and did not fail to display its new Pluma gas bottle.

In Brazil, Galp Energia participated in Rio Oil & Gas 2006 where its showroom welcomed a diverse range of visitors. In parallel with the event, meetings were held with several providers of services and suppliers of goods. This initiative raised the Company’s visibility with industry players in the Brazilian market, which is bound to give a valuable contribution to the Company’s operations in Brazil via its Petrogal Brasil subsidiary.



5. APPENDIXES

SUSTAINABLE DEVELOPMENT
IS INEVITABLY A FACTOR FOR OUR
COMPANY'S COMPETITIVENESS.

5. APPENDIXES

APPENDIX I. INTEGRATION OF GRI INDICATORS WITH THE MILLENNIUM OBJECTIVES

MILLENNIUM OBJECTIVES	GRI INDICATOR	CATEGORY	ASPECT	INDICATOR	COMPLIANCE DEGREE
1. Eradicate extreme poverty and hunger	Economic		Economic performance	EC1, EC2, EC3, EC4	Total
			Market presence	EC5 ^(*) , EC6, EC7	Partly Additional
			Indirect economic impacts	EC8, EC9 ^(*)	Partly
	Social	Social practices and decent work	Employment	LA1, LA2, LA3 ^(*)	Total
			Diversity and equal opportunity	LA13, LA14	Partly
		Human Rights	Investment and procurement practices	HR1, HR2, HR3 ^(*)	Partly Additional
			Child labour	HR6	Not applicable
			Forced and compulsory labour	HR7	Not applicable
			Non-discrimination	HR4	Not applicable
			Security practices	HR8 ^(*)	Non-available
			Indigenous rights	HR9	Not applicable
		Society	Community	S01	Non-available
			Anti-competitive behaviour	S07	Total
			Compliance	S08	Non-available
2. Achieve universal primary education	Economic		Economic performance	EC1, EC3	Total
			Indirect economic impacts	EC8, EC9	Partly
	Social	Human rights	Child labour	HR6	Not applicable
		Society	Community	S01	Non-available

MILLENNIUM OBJECTIVES	GRI INDICATOR	CATEGORY	ASPECT	INDICATOR	COMPLIANCE DEGREE
3. Promote gender equality and empower women	Economic		Economic performance	EC1	Total
			Indirect economic impacts	EC8	Partly
	Social	Social practices and decent work	Employment	LA1, LA2, LA3 ^(*)	Total
			Labour/Management relations	LA4, LA5	Total
			Training and education	LA10, LA11 ^(*) , LA12 ^(*)	Total
			Diversity and equal opportunity	LA13, LA14	Partly
		Human rights	Investment and procurement practices	HR1, HR2, HR3 ^(*)	Partly Additional
			Non-discrimination	HR4	Not applicable
			Forced and compulsory labour	HR7	Not applicable
			Security practices	HR8	Not applicable
		Society	Community	SO1	Non-available
4. Reduce child mortality	Social	Social practices and decent work	Occupational health and safety	LA6 ^(*) , LA7, LA8, LA9 ^(*)	Partly
		Human rights	Child labour	HR6	Not applicable
		Society	Community	SO1	Non-available
		Product responsibility	Customer health and safety	PR1, PR2 ^(*)	Partly Additional
			Product and service labelling	PR3, PR4 ^(*) , PR5 ^(*)	Partly Additional
5. Improve maternal health	Economic		Economic performance	EC1, EC3, EC4	Total
			Indirect economic impacts	EC8, EC9	Partly
	Social	Social practices and decent work	Diversity and equal opportunity	LA13, LA14	Partly
			Occupational health and safety	LA6 ^(*) , LA7, LA8, LA9 ^(*)	Partly
		Training and education		LA10, LA11, LA12	Total
		Human rights	Non-discrimination	HR4	Not applicable
			Forced and compulsory labour	HR7	Not applicable
		Society	Community	SO1	Non-available
		Product responsibility	Customer health and safety	PR1, PR2 ^(*)	Total

MILLENNIUM OBJECTIVES	GRI INDICATOR	CATEGORY	ASPECT	INDICATOR	COMPLIANCE DEGREE
6. Combat HIV/AIDS, malaria and other diseases	Economic		Economic performance	EC1, EC3, EC4	Total
			Indirect economic impacts	EC8, EC9	Partly
	Environment	Environmental	Emissions, effluents and waste	EN16, EN17, EN18 ^(*) , EN19, EN20, EN21, EN22, EN23, EN24 ^(*) , EN25 ^(*)	Partly
			Products and services	EN26, EN27	Partly
	Social	Social practices and decent work	Employment	LA1, LA2, LA3 ^(*)	Total
			Occupational health and safety	LA6 ^(*) , LA7, LA8, LA9 ^(*)	Total
			Training and education	LA10, LA11 ^(*) , LA12 ^(*)	Total
			Diversity and equal opportunity	LA13, LA14	Partly
		Human rights	Forced and compulsory labour	HR7	Not applicable
		Society	Community	SO1	Non-available
		Product responsibility	Customer health and safety	PR1, PR2	Total
			Product and service labelling	PR3, PR4 ^(*) , PR5 ^(*)	Total
7. Ensure environmental sustainability	Environment	Environmental	Materials	EN1, EN2	Total
			Energy	EN3, EN4, EN5 ^(*) , EN6 ^(*) , EN7 ^(*)	Partly
			Water	EN8, EN9 ^(*) , EN10 ^(*)	Partly
			Biodiversity	EN11, EN12, EN13, EN14, EN15	Non-available
			Emissions, waste and discharges	EN16, EN17, EN18 ^(*) , EN19, EN20, EN21, EN22, EN23, EN24 ^(*) , EN25 ^(*)	Partly
			Products and services	EN26, EN27	Partly
			Compliance	EN28	Non-available
			Transport	EN29 ^(*)	Total
			Overall	EN30 ^(*)	Partly
	Social	Product responsibility	Marketing communications	PR6, PR7 ^(*)	Partly
	Economic		Economic performance	EC2	Total

MILLENNIUM OBJECTIVES	GRI INDICATOR	CATEGORY	ASPECT	INDICATOR	COMPLIANCE DEGREE
8. Develop a global partnership for development	Economic		Market presence	EC5 [*] , EC6, EC7	Partly Adicional
	Environment	Environmental	Compliance	EN28	Non-available
	Social	Social practices and decent work	Employment	LA1, LA2	Total
			Labor/Management relations	LA4, LA5	Total
		Human rights	Investment and procurement practices	HR1, HR2, HR3 ^(*)	Total
			Child labour	HR6	Not applicable
			Freedom of association and collective bargaining	HR5	Total
			Forced and compulsory labour	HR7	Not applicable
			Indigenous rights	HR9	Not applicable
		Society	Community	SO1	Non-available
			Corruption	SO2, SO3, SO4	Not applicable
			Public policies	SO5, SO6 ^(*)	Total
			Anti-competitive behaviour	SO7 ^(*)	Total
			Compliance	SO8	Non-available
		Product responsibility	Marketing communications	PR6, PR7 ^(*)	Total
			Customer privacy	PR8 ^(*)	Total
			Compliance	PR9	Non-available

Categories:

Total – Total compliance with the indicator /set of indicators

Partly – Partial compliance with the set of indicators

Partly additional – Compliance with the additional indicators and non-compliance with essential indicators

Not applicable – Indicator/set of indicators not applicable to Galp Energia

Non-available – Indicator/set of indicators not complied with.

APPENDIX II. RESEARCH, DEVELOPMENT AND INNOVATION PROJECTS

PROJECT	TYPE OF INNOVATION	DESCRIPTION	IMPACT ON BUSINESS SUSTAINABILITY
Gforce Diesel / Gforce 98	Product innovation	Development of innovative high-performance fuels:	Profitability
		Power	Respect for the environment
		- Consumption	
		+ Protection	
		+ Environment	
Pluma	R&D + Product innovation + Marketing innovation in promotion	Hybrid gas bottle – combines the steel bottle's robustness and safety with the composite-material bottle's lightness with additional design and ergonomics advantages.	Profitability
			Creation of endogenous knowledge with added value for the business
			Product responsibility
Hotspot	R&D + Product innovation + Marketing innovation in promotion	Gas heater which stands out for its modern design and safety.	Profitability
			Creation of endogenous knowledge with added value for the business
			Product responsibility
GEDOC	Process innovation + Organisational innovation	Creation of a system for approving supplier invoices.	More transparency with the stakeholding supplier
Transgás	Process innovation	Implementation of a simulator for the detection of gas leaks in the transport system.	Workplace safety
Sacor Marítima	R&D + Process innovation	EPDIS, a European R&D project in navigation safety.	Creation of endogenous knowledge with added value for the business
			Workplace safety
Biofuels	R&D + Product innovation + Process innovation	Inclusion of biofuels in the refining and logistic system.	Compliance with a EU regulation
			Creation of endogenous knowledge with added value for the business
			Respect for the environment
			Product responsibility

PROJECT	TYPE OF INNOVATION	DESCRIPTION	IMPACT ON BUSINESS SUSTAINABILITY
Setgás - ANGWARD (Adsorbed Natural Gas System with Guard Bed Device)	Process innovation	Development of innovative and efficient solutions for the storage of natural gas based on adsorption (a process whereby a gas accumulates on the surface of a solid) on activated coal.	<div>Creation of endogenous knowledge with added value for the business</div> <div>Respect for the environment</div> <div>Product responsibility</div>
Beiragás - (in partnership with Ambistore)	Product innovation + Organisational innovation	Air conditioning (by warm or iced water), entirely powered by natural gas, of a heat pump type.	<div>Creation of endogenous knowledge with added value for the business</div> <div>Respect for the environment by helping clients to reduce emissions</div> <div>Product responsibility by helping clients to save energy</div>
Innovation Academy	Organisational innovation	Creation of systematic methods to implement innovation as well as a more favourable attitude to the adoption of new concepts and ideas.	Creation of endogenous knowledge and awareness of the need to innovate, bringing added value to the business
Promotion Farmers	Process innovation + Product innovation	Standardised deposits and casualty insurance were offered in partnership with CUF.	Product responsibility
Launch of AdPlus	Process innovation + Product innovation	AdPlus - Hi Performance AdBlue is marketed by Galp Energia in an Iberian partnership with CUF with a view to reducing emissions.	Energy efficiency
Launch of new heating oil	Product innovation	Introduction of a differentiated product with a better performance for central heating.	Profitability
Cadox (Ao Sol)	R&D+Product innovation + Process innovation	Treatment of chemically contaminated effluents, with UV in the presence of a catalyst.	Respect for the environment
AquaCat (Ao Sol)	R&D+Product innovation + Process innovation	Treatment of biologically contaminated water, with solar UV in the presence of a catalyst.	Respect for the environment

PROJECT	TYPE OF INNOVATION	DESCRIPTION	IMPACT ON BUSINESS SUSTAINABILITY
AquaSol (Ao Sol)	R&D+Product innovation + Process innovation	Desalinisation with sun energy whereby a prototype deposit of a CPC type is used to provide energy until 100°C.	Energy efficiency
SolWater (Ao Sol)	R&D+Process innovation	Research in accumulation deposits in thermosyphon systems and in materials used for the manufacture of CPC.	Energy efficiency Respect for the environment
Galp Eco	Product innovation in services	Innovative service for industrial clients offering services both upstream and downstream in the energy value chain, concentrating on energy efficiency and environmental services, in particular focus management in CO ₂ emissions.	Energy efficiency
BioPay	Process innovation + Product innovation in services	Payment by finger contact for products and services available for sale at Galp stations by applying biometrics to customer relationships. BioPay is a new way of interacting with the client giving them a personal treatment while offering maximum security, convenience and swiftness in the payment transaction.	Creation of endogenous knowledge with added value for the business
Tiger	Process innovation + Organisational innovation	Assessment of retail information systems, whereby a number of factors were catalogued that significantly limit the Company's ability to respond to the market – and optimisation of retail operations.	Product responsibility More transparency in the relationship with the client
Nitec	R&D+Process innovation + Organisational innovation	Critical needs to obtain a more modern and optimised refinery.	Energy efficiency Respect for the environment
Galportoid	R&D+Process innovation	Internalisation of modelling technologies and simulation of refining and petrochemical processes in the distillation, extraction and reaction units.	Energy efficiency Respect for the environment
Galp Net (portal extranet)	Organisational innovation	Private access portal to business and institutional clients and partners – Cross-sectional project involving the units E&P, RSL, Retail, Wholesale, LPG, NG, Transgás.	Respect for the environment

PROJECT	TYPE OF INNOVATION	DESCRIPTION	IMPACT ON BUSINESS SUSTAINABILITY
EcoSave	Product innovation in services	Provision of an energy audit to retail consumers (this service is not available to all clients)	Energy efficiency
EasyCheck	Product innovation in services	Quick diagnosis of gas handling in small boilers or industrial furnaces with the help of qualified technicians, which may translate into significant gains in terms of thermal efficiency.	Energy efficiency
Spectrometry techniques NIR/NMR (Near infrared / nuclear magnetic resonance)	R&D+ Organisational innovation +Process innovation	Theoretical and practical investigation of the applicability of spectrometry techniques NIR/NMR (Near Infrared / Nuclear Magnetic Resonance) with a view to optimising the definition of raw materials towards the optimisation of separation processes.	Energy efficiency
Research and development of topographical techniques and methods for scale reduction	R&D+ Organisational innovation +Process innovation	Development of automatic and prompt ways of detecting and controlling potential risk situations before they occur, thereby contributing to a higher degree of safety in production processes.	Safety
Non-linear predictive control in a desulphuring process unit	R&D+ Organisational innovation +Process innovation	Applicability of free software for non-linear predictive control in a desulphuring process unit with a view to boosting performance and competitiveness for these production processes	Efficiency
Product quality in the desulphuring units	R&D+ Organisational innovation +Process innovation	Development of inferential models for anticipating and improving product quality in the units for desulphuring fuels produced at the Sines refinery using advanced chemometric techniques	Product responsibility

PROJECT	TYPE OF INNOVATION	DESCRIPTION	IMPACT ON BUSINESS SUSTAINABILITY
Monitoring of product stability at the Visbreaking unit	R&D+ Organisational innovation +Process innovation	Monitoring and validation of models for predicting the stability of heavy components of fuels produced at the Visbreaking unit.	Creation of endogenous knowledge
Study of systems for cooling admission air in gas turbogenerators	R&D+ Process innovation	Analysis of systems minimising the impact of changes in environmental conditions in the production of electricity by gas turbogenerators at Galp Power facilities. This system is estimated to increase the plant's electricity production by approximately 2% while reducing the use of natural gas by 5%.	Energy efficiency
Study for reducing the use of electricity by the auxiliaries of the cogeneration plant at Carriço	R&D+ Process innovation	In accordance with the study's conclusions, an alternative solution was implemented leading to the installation of static frequency changers that can change the current according to pumping needs. This solution also led to the need to adjust the plant's control system to the new type of pump control. This improvement led to a reduction of close to 40% in the plant's electricity consumption.	Energy efficiency
Analysis of Estarreja Industrial Pole's energy needs and technical and economical feasibility of central steam supply	R&D+ Process innovation	Consumption scenarios were reviewed that could support an investment inducing technical and economical advantages for both the sponsor and the manufacturing units. Power and capacity requirements were also reviewed according to the predicted scenario.	Energy efficiency

PROJECT	TYPE OF INNOVATION	DESCRIPTION	IMPACT ON BUSINESS SUSTAINABILITY
Optimisation review of thermodynamic cycles at a natural gas combined cycle plant by recovering thermal energy from Sines LNG terminal	R&D+ Process innovation	Quantification of the impact of recovering the required thermal energy for regasification of LNG under the thermodynamic rates for the Brayton-Rankine cycles which are typical of a combined cycle plant.	Energy efficiency
Studies for the replacement of steam production equipment at the Oporto and Sines refineries	R&D+ Process innovation	2/3 to 3/4 of the steam currently produced at the fuel oil boilers was replaced by the production from recovery boilers at the new cogeneration plants based on gas turbogenerators.	Energy efficiency
Project Via Bio	R&D+ Process innovation	This initiative aimed to identify specific business or cooperation opportunities in biotechnology involving Galp Energia and the relevant companies/sectors and the domestic and international R&D network.	Creation of endogenous knowledge with added value for the business Respect for the environment

APPENDIX III. "HEALTH AND SAFETY IN THE FORMAL AGREEMENTS WITH THE TRADE UNIONS"

SAFETY IN THE FORMAL AGREEMENTS WITH THE TRADE UNIONS

PETROGAL	Articles 99 to 103 of the oil companies' Collective Labour Agreement ("CLA")
CLC	Articles 99 to 103 of the oil companies' CLA.
TANQUISADO	Articles 99 to 103 of the oil companies' CLA.
GDL LISBOAGÁS, GDP, SGPS and CABO RUIVO	Articles 112 to 117 of GDL and others' CLA.
GALPGESTE	Additional pay in case of work accident - Article 46-A of ANAREC's CLA. Work accident - Article 47 of ANAREC's CLA. Workplace hygiene and safety - Article 48 of ANAREC's CLA.
SACOR MARÍTIMA	Workplace safety, hygiene and health - Article 54 of PORTLINE and others' CLA.

HEALTH IN THE FORMAL AGREEMENTS WITH THE TRADE UNIONS

PETROGAL	<p>The obligations for providing assistance in case of disease are laid down in the following documents:</p> <ul style="list-style-type: none"> • Side agreement regarding assistance in disease and motherhood, child protection and payout in case of death; • Communication nº 16/86; • Agreement regarding participation in the Collective Labour Agreement (CLA) for private-sector oil companies (Article 9); • Collective Labour Agreement (CLA) for private-sector oil companies (Article 94); • Health insurance . <p>Additional pay in case of disease - Article 93 of the oil companies' CLA and Agreement on social benefits for Petrogal employees;</p> <p>Help to the disabled - Article 95 of the oil companies' CLA and Regulation for the company's assistance work;</p>
CLC	<p>Obligations for providing assistance in case of disease:</p> <ul style="list-style-type: none"> • Article 94 of the oil companies' CLA. <p>Additional pay in case of disease - Article 93 of the oil companies' CLA.</p> <p>Help to the disabled - Article 95 of the oil companies' CLA.</p>
TANQUISADO	<p>Obligations for providing assistance in case of disease:</p> <ul style="list-style-type: none"> • Article 94 of the oil companies' CLA. <p>Additional pay in case of disease - Article 93 of the oil companies' CLA.</p> <p>Help to the disabled - Article 95 of the oil companies' CLA.</p>

HEALTH IN THE FORMAL AGREEMENTS WITH THE TRADE UNIONSS

GDL LISBOAGÁS, GDP, SGPS and CABO RUIVO	<p>Obligations for providing assistance in case of disease:</p> <ul style="list-style-type: none"> • Regulation for additional social action for Petroquímica e Gás de Portugal, S.A.. • GDL and others' CLA (Article 108). <p>Additional pay in case of disease or work accident - GDL and others' CLA (Article 108).</p> <p>Additional pay in case of disability for work accident or professional disease - GDL and others' CLA (Article 109).</p>
GALPGESTE	<p>Additional pay in case of disease - Article 44 of ANAREC's CLA.</p> <p>Additional pay in case of work accident - Article 45 of ANAREC's CLA.</p> <p>Additional pay for professional disease - Article 46 of ANAREC's CLA.</p>
SACOR MARÍTIMA	Social benefits - Article 57 of PORTLINE and others' CLA.

APPENDIX IV. INDICATOR DESCRIPTION

The report contains data for 2005 – 2006. The following table sums up and identifies GRI indicators to which Galp Energia responds.

SECTION (ACCORDING TO GRI, MODEL 3)	GRI INDICATOR	CONTENT OF SUSTAINABILITY REPORT
Availability ⁽¹⁾ – Page		
Strategy and analysis		
Message of the Board Directors	1.1	6, 7
Description of key impacts, risks and opportunities	1.2	12-15
Organisational profile	2.1 a 2.10	16-18
Report parameters		
Report profile	3.1 a 3.13	8-9
Report boundary	3.7 a 3.11	16-18
Governance, commitments and engagement		
Governance	4.1 a 4.10	8,17
Commitments to external initiatives	4.11 a 4.13	19
Stakeholder engagement	4.14 a 4.17	54-57
Performance indicators		
Economic performance		
Economic performance	EC1, EC2, EC3, EC4	23, 25, 22 (partly), 46, 24
Market presence	EC5 ^(*) , EC6, EC7	46, non-available, non-available
Indirect economic impacts	EC8, EC9 ^(*)	24, non-available
Environmental performance		
Materials	EN1, EN2	26, 29
Energy	EN3, EN4, EN5 ^(*) , EN6 ^(*) , EN7 ^(*)	26, 26, 31, 31 (partly), 31-33, non-available
Water	EN8, EN9 ^(*) , EN10 ^(*)	27 (partly), non-available, 28
Biodiversity	EN11, EN12, EN13 ^(*) , EN14 ^(*) , EN15 ^(*)	non-available
Emissions, effluents and waste	EN16, EN17, EN18 ^(*) , EN19, EN20, EN21, EN22, EN23, EN24 ^(*) , EN25 ^(*)	27, 31, 31, non-available, 27, 29, 29, non-available, non-available.
Products and services	EN26, EN27	31-33, non-available
Compliance	EN28	non-available
Transport	EN29 ^(*)	28
Overall	EN30 ^(*)	35

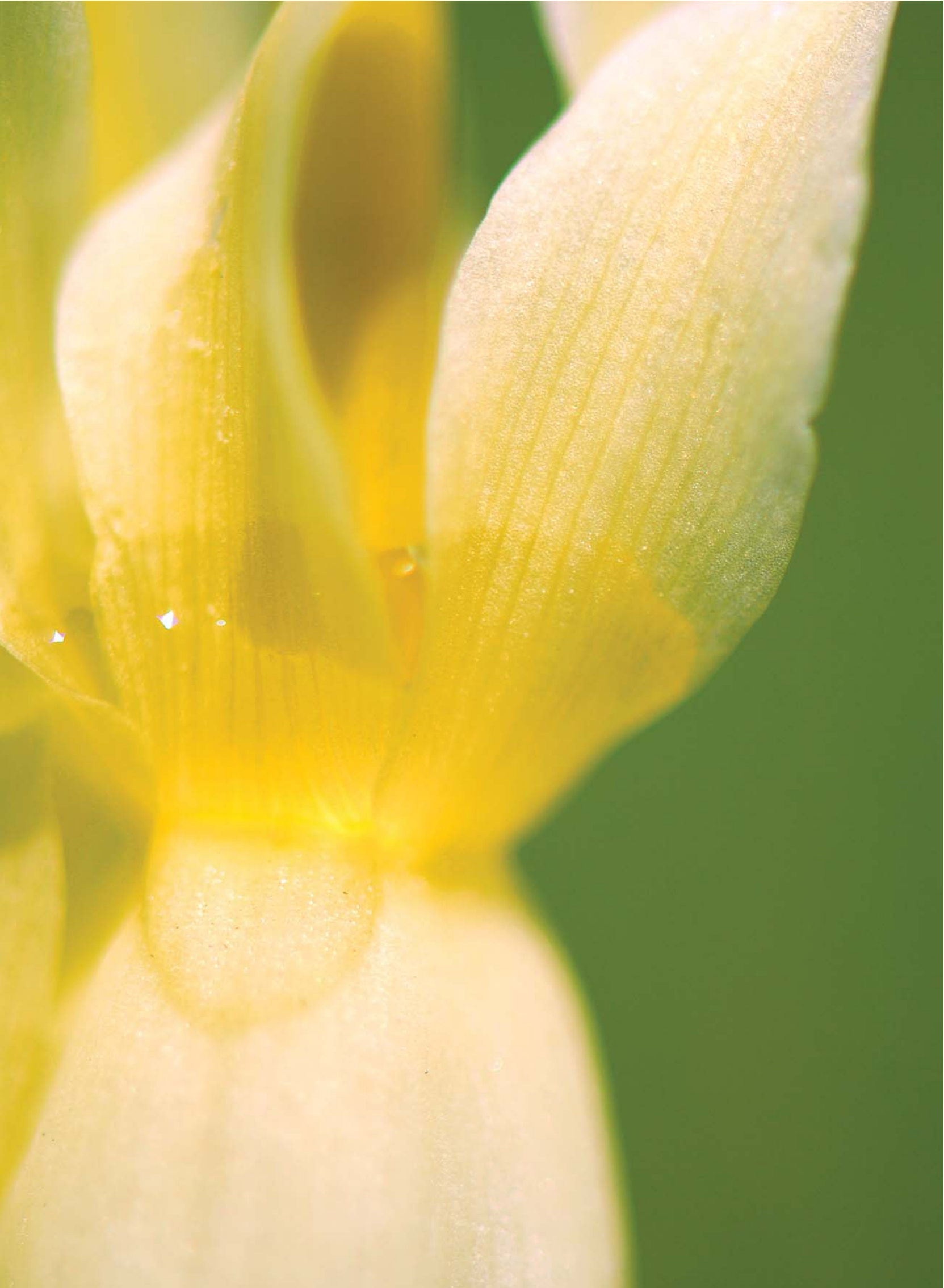
SECTION (ACCORDING TO GRI, MODEL 3)		GRI INDICATOR	CONTENT OF SUSTAINABILITY REPORT
Social performance			
Labour practices and decent work	Employment	LA1, LA2, LA3 ^(*)	42, 43, 43 (partly)
	Labor/Management relations	LA4, LA5	43, Non-available.
	Occupational health and safety	LA6 ^(*) , LA7, LA8, LA9 ^(*)	47, 43, 47, 45 (parcial), 47
	Training and education	LA10, LA11 ^(*) , LA12 ^(*)	43, 44, 45, 46
	Diversity and equal opportunity	LA13, LA14	42, Non-available
Product responsibility	Customer health and safety	PR1, PR2 ^(*)	48 (partly), 48
	Product and service labelling	PR3, PR4 ^(*) , PR5 ^(*)	Non-available, 48-49
	Marketing communications	PR6, PR7 ^(*)	49, Non-available
	Customer privacy	PR8 ^(*)	49
	Compliance	PR9	Non-available
Society	Community	S01	Non-available
	Corruption	S02, S03, S04	Non-available
	Public policy	S05, S06 ^(*)	49, Non-available
	Anti-competitive behaviour	S07 ^(*)	49
	Compliance	S08	Non-available
Human rights	Investment and procurement practices	HR1, HR2, HR3 ^(*)	Non-available, 49
	Non-discrimination	HR4	Non-available
	Freedom of association and collective bargaining	HR5	47-48
	Child labour	HR6	Non-available
	Forced and compulsory labour	HR7	Non-available
	Security practices	HR8 ^(*)	Non-available
	Indigenous rights	HR9 ^(*)	Non-available

(*) Additional indicators

(i) The degree of availability of each indicator results from internal evaluation and validation.

APPENDIX V. LIST OF ACRONYMS

ACGE – Climate Change and Business Administration Index	FLAD – Portuguese-American Foundation for Development
ACT – Collective Labour Agreement	GHG – Greenhouse Gases
AIP – Portuguese Industrial Association	GESB – Galp Exploration Services in Brazil
AMEPETROL – Mozambique’s Association for the Oil Sector Companies	GESTES – Filling Stations
ANECRA – National Association of Companies for Automotive Trade and Repair	NG – Natural Gas
ANTRAL – National Association for Road Transport in Passenger Cars	LPG – Liquefied Petroleum Gas
AP2H2 – Portuguese Association for the Promotion of Hydrogen	GRI G3 – Global Reporting Initiative, G3
APETRO – Portuguese Association of Oil Companies	INETI – National Institute of Engineering, Technology and Innovation
EQS – Environment, Quality and Safety	IPO- Portuguese Cancer Institute
BATs – Best Available Techniques	IPQ – Portuguese Quality Institute
BCSD – Business Council for Sustainable Development	IPSS – Private Institution for Social Solidarity
CAPEX – Capital Expenditure	IRC – Corporate income tax
CCT – Central Workers’ Council	IRRC - Investor Responsibility Research Center
CCPM – Portugal-Mozambique Chamber of Commerce	ISP – Tax on Oil Products
CCIPA – Chamber of Commerce and Industry Portugal-Angola	ISPS – International security code for ships and ports
CERES - Coalition for Environmentally Responsible Economies	ISQ – Welding and Quality Institute
CIP – Portuguese Industry Confederation	ITG – Technological Gas Institute
CLC – Company for Fuel Logistics	Km – Kilometer
CO ₂ – Carbon dioxide	kton – Kilotonne
COGEN – Portuguese Cogeneration Association	LCs – Large Combustion Plants
COGEN EUROPE - The European Association for the Promotion of Cogeneration	MMSCF - Million Standard Cubic Feet
CONCAWE – European Association for Environment, Health and Safety in Refining and Distribution	MWh – Megawatt Hour
COTEC – Business Association for Innovation	NGO – Non-government Organisation
CSR – Corporate Social Responsibility	NOx – Nitrogen oxides
E&P – Exploration & Production	OCIMF - Oil Companies International Marine Forum
EBITDA – Earnings before interest, taxes, depreciation and amortization	OME – Mediterranean Energy Observatory
EC – European Commission	p.p. – Percentage points
ECGI - European Corporate Governance Institute	PALOP – Portuguese-speaking African countries
ELO – Portuguese Association for Economic Development and Cooperation	PNAC – National Plan for Climate Change
EPCA - European Petrochemical Association	PNAL – National Plan for the Allocation of Emissions Licences
ERSE – Energy Sector Regulatory Authority	PRCE – Rationalisation Plans for Energy Consumption
EU – European Union	REACH – Registration, Evaluation, Authorization and Restriction of Chemicals
EU ETS – European Union Emissions Trading Scheme	RGCE – Regulation for the Management of Energy Consumption
EUROGAS – European Union of the Natural Gas Industry	RL – Replacement Cost
EUROPIA – European Petroleum Industry Association	ROACE - Return on Average Capital Employed
FAR – Lubricant Factory	SAAGA – Azorean Company for the Storage of Gas
FAE – Company Directors’ Forum	SO ₂ – Sulphur Dioxide
FILDA –Luanda International Fair	STCP – Oporto Public Transportation Company
	toe – ton of oil equivalent
	ton - tonne
	TPL – Leixões Harbour Terminal
	UCCLA – Union of Portuguese-speaking capital cities



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