



# REGENERATING THE FUTURE

Integrated Management Report 2021

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# Board of Directors' Message

## Paula Amorim

### Chairperson

Throughout 2021, the world continued to face economic and social disruptions, with the pandemic also affecting supply chains and energy market dynamics. One reality is becoming ever more evident – the urgent need to transform our energy systems to support societies moving towards a more sustainable collective future.

Under such volatile times, our determination and ability to innovate are being put to the test. And so is the fundamental role that successful energy companies can play in the energy transition. I see Galp strongly positioned to rise to the challenges, to create value and take a leading role in this transition.

Andy Brown took on the CEO role in February 2021. With the full support from the Board, we have introduced a new purpose for Galp – Let's Regenerate the Future Together – and reinforced our decarbonisation ambitions. We are aiming to be a net zero emissions Company by 2050 and have set intermediate targets for 2030 to reduce the level of greenhouse gas emissions from our operations, as well as the carbon intensity of what we generate and sell.

The Excom has worked diligently to present a refreshed strategy, one which fully reflects Galp's ambitions to harvest and reshape its portfolio. I am thrilled with the extent to which our People have embraced the new purpose and their determination to make it happen. This gives me extra confidence in a value-accretive and sustainable future for Galp.



## Board of Directors' Message

Indeed, Galp is taking decisive steps towards a more sustainable future, expanding its renewable generation portfolio, already with a pipeline of c.4.7 GW, and confident about its target of 12 GW in renewable capacity operating by 2030. The company is also making strides in other energies, tapping into different technologies, and pursuing new value pools, such as in green hydrogen and the battery value chain.

Having said this, Galp's strong position is grounded on its enviable legacy portfolio, which is expected to continue to grow whilst transforming itself. Our highly competitive Upstream position is also one of the most carbon-efficient ones, worldwide. And we have a clear plan to decarbonise our industrial activities, halving greenhouse gas emissions by 2030, and transforming our commercial activities to cater to new market trends and a more electrified demand.

As Galp evolves, our Board composition must also evolve. To set and execute the refreshed strategy, the Board and Excom are adopting a leaner and more agile management model, while reinforcing energy transition competences.

The capital markets are yet to give full credit to the role that the energy sector can play in helping decarbonise and transform the energy systems. In this context, the Board has revised Galp's distribution framework, which from now on will include share buybacks and a progressive dividend. The Board will propose to the AGM a dividend related to the 2021 fiscal year of €0.50 per share, in cash. In addition, the Board is planning a share buyback of €150 m, which is expected to start once all authorisations related with the shares repurchase and cancelation are obtain at the AGM.

I would like to express my gratitude to our partners and to Galp colleagues for their commitment during such a challenging year, and to our shareholders for their continued support to steer Galp through the energy transition.

I cannot end this letter without expressing our repudiation of Russia's terrible aggression against Ukraine. This act of war violates the values we defend at Galp, such as freedom and human rights. Galp will not contribute to Russia's war efforts and, therefore, promptly decided to eliminate its exposure to oil products either sourced in Russia or from Russian companies. We will do our absolute best to support the humanitarian efforts in support of the people of Ukraine.



Paula Amorim  
Chairperson of the Board of Directors