

Assessment and Management of the Environmental and Social Impacts of Activities, Products and Services



POLICY AND COMMITMENTS

In accordance with our Corporate Responsibility Policy, **we are strongly committed to Social Responsibility.** As such, we seek to **integrate Social Responsibility issues into our strategy** and activities, in all **geographical locations, contexts and situations.** Moreover, we strive to continuously improve our performance in this area, with a view to establishing Social Responsibility as a **fundamental Management concern and key factor in creating value for Shareholders, Employees, Clients, Suppliers and Society in general,** so that we may achieve **sustainable development and business excellence.**

In what regards our Health, Safety & Environment (HSE) Policy, we are fully committed to **protecting the Environment and ensuring the Health & Safety of our Employees, Clients and the general Community.** We are also **aware of our responsibilities in managing the impact of our activities, products and services.**

We have adopted the **G+ System** in order to achieve these goals. In this sense, we seek to address, **eliminate and mitigate all impacts,** at **all stages of our activities and in connection with our products and services.** The following elements of our HSE Framework are the most relevant within this scope:

01: Management Commitment	The Company Management is strongly committed to Health, Safety & Environmental issues. In this sense, HSE issues are not only integrated into the Company strategy and business, but also considered in all decisions. Additionally, the Management seeks to ensure that the impacts of Company activities, products and services on the Environment, Health & Safety of Employees, Clients and the Community are adequately managed.
04: Responsibilities of the Company Management and Hierarchy	The Company Hierarchy is responsible for implementing the HSE System, by establishing standards, practices and procedures. In this sense, the Company Hierarchy is responsible for ensuring that the impacts of Company activities, products and services are adequately managed.
05: Targets, Goals and Plans	HSE performance monitoring is essential to managing the impacts of Company activities, products and services. Continuous improvement is based on impact mitigation efforts, which are undertaken according to the action plans devised.
06: HSE Staff	HSE Staff, which must be suitably skilled and qualified, assist the Company Hierarchy in implementing HSE programmes and actions aimed at managing impacts.
07: Procedures and Operational Performance Levels	Galp Energia follows the most stringent standards and seeks to exceed legal requirements when developing and implementing operating procedures, in order to achieve high performance levels and mitigate the impacts of its activities.
09: Effective Communications	Clear, objective, two-way communication of HSE information should be ensured across the Company and externally. External communications are particularly relevant when impacts are concerned, as consultation with stakeholders is essential to their assessment.
11. Audits and Observation	HSE audits, inspections and observations are useful for assessing compliance with impact mitigation requirements and as a basis for continuous System improvement.
14: Service Providers' HSE Management	It is important to ensure that the HSE performance of service providers, suppliers and business partners is aligned with Galp Energia's requirements. Agreement managers are responsible for ensuring compliance with the latter. In this sense, the impacts of the activities undertaken by these entities fall within the same scope and are addressed similarly as those associated with the Company's own activities.
15: Site and Equipment Lifecycle Planning and Control	A Quality Assurance programme is essential to ensuring compliance with the HSE requirements applicable to crucial sites and equipment, so that impacts may be minimised throughout the corresponding lifecycles, namely during project design, manufacturing, installation, maintenance and replacement

16: Pre-Start Review

Operations at Galp Energia sites should only start after all potential risks have been adequately identified, assessed and controlled.

17: Mechanical Integrity

Galp Energia's equipment and sites are required to comply with the corresponding specifications and must be kept in good condition over their useful lives. Moreover, all impacts associated with the corresponding lifecycles must be controlled.

18: Change Management: Sites

A careful risk analysis must be performed whenever a change is proposed, in order to assess the corresponding impact on Safety, Health and the Environment. Changes must be authorised by the Company Management and should only be implemented once all recommendations have been followed.

21: Risk Analysis

The risks associated with the activities undertaken by Galp Energia must be identified, assessed and managed, in order to avoid incidents and/or minimise their effects.

Top-Level Management is directly involved in 01: Management Commitment and 04: Responsibilities of the Company Management and Hierarchy, which define the responsibilities of the Company Hierarchy regarding compliance with G+ System principles, namely concerning the assessment and management of the impacts of our activities, products and services, in accordance with the Galp Energia HSE Policy, implemented through the G+ System.

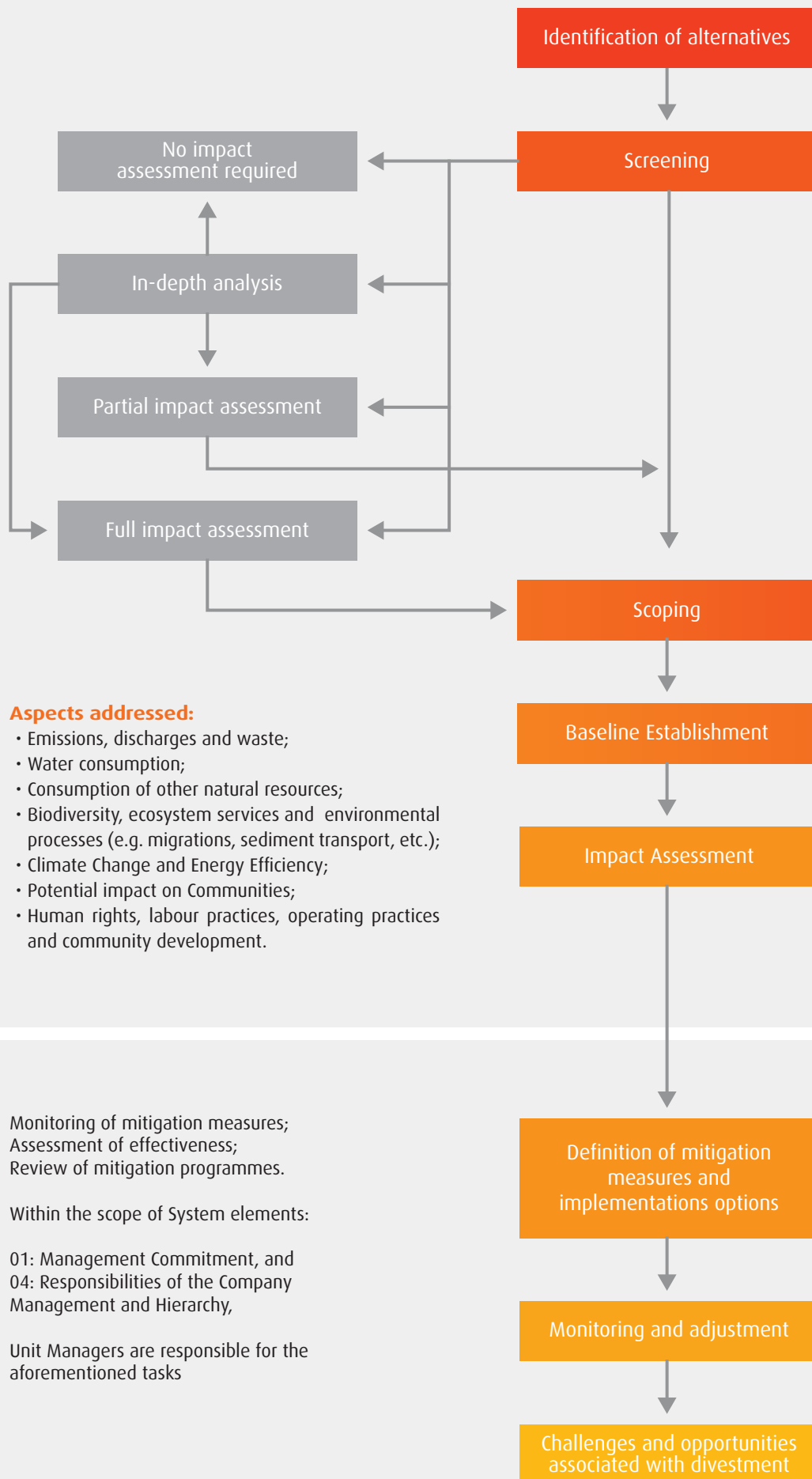
IMPACT ASSESSMENT AND MANAGEMENT

Assessment of the impact of projects, activities and products, as well as technical and site changes, shall be carried out whenever required.

Impact Assessments:

1. Are carried out throughout the entire **lifecycle of a given activity, product and/or service**, including seismic surveys, drilling, decommissioning, site restoration, etc. The potential impacts of Company products on the environment and human health are also assessed;
2. Can be **more or less formal/detailed**;
3. May be carried out for the sole purpose of **supporting decisions or as part of licensing requirements**;
4. May allow a **comparison between development alternatives for new projects**, namely location, operations calendar, technologies, etc., or contribute to the identification of opportunities to improve ongoing operations;
5. Contribute to the identification of **environmental and social challenges and opportunities** associated with **divestment**;
6. Enable the **mitigation of negative impacts and the potentiation of positive impacts**;
7. Call for **stakeholder engagement**;
8. Allow for **secondary and cumulative impacts** to be considered;
9. Allow a **comparison between project alternatives and the option not to proceed with the project**;
10. Contribute to the **identification of corporate responsibility aspects** related to **Environmental and Safety Management Systems**, namely **environmental aspects, hazards and risks**;
11. Contribute to the identification of **corporate responsibility aspects** related to the Corporate Responsibility Policy, namely concerning **human rights, labour practices, operating practices and Community development**;
12. Contribute to the identification of materially relevant aspects, to be reflected in the **establishment of Management KPIs**, through Balanced ScoreCards.

Without prejudice to legal requirements, Impact Assessments are carried out according to the following approach:



REFERENCES

International References:

- National/regional legal framework;
- ISO 14001:2008 - "Environmental Management System – Requirements with guidance for use";
- OGP:
 - "Environmental Management in Oil and Gas Exploration and Production";
 - Principles for impact assessment – The environmental and social dimension, Report No 2.74/265, 1997;
 - Key questions in managing social issues in oil & gas projects, Report No. 2.85/332, 2002.
 - Environmental-Social-Health Risk and Impact Management Process, Report No. 389, 2007.
- IPIECA – A guide to social impact assessment in the oil and gas industry, 2004
- IFC Performance Standards: RPS uses the International Finance Corporation (IFC) Performance Standards as guidance - 8 Guidelines:
 1. Social and Environmental Assessment and Management Systems
 2. Labour and Working Conditions
 3. Pollution Prevention and Abatement
 4. Community Health, Safety and Security
 5. Land Acquisition and Involuntary Resettlement
 6. Biodiversity, Conservation and Sustainable Natural Resource Management
 7. Indigenous Peoples
 8. Cultural Heritage
- FC - Doing Better Business through Effective Public Consultation and Disclosure: a Good Practice Manual, 1998.
- BMP Guidelines – for preparing an Environmental Impact Assessment (EIA) report for activities related to hydrocarbon exploration and exploitation off shore Greenland, Jan 2011;
- [The Equator Principles June 2013:](#)
- [Guidance for EPFIS](#) (Equator Principles Financial Institutions) on incorporating environmental and social considerations into loan documentation
- Emery, A.R., International Labor Organizations, The World Bank, Canadian International Development Agency, and KIVU Naturtem Inc. (2000). Integrating Indigenous Knowledge in Project Planning and Implementation.
- Refined guidelines on biodiversity considerations in EIA and SEA (Part 1: EIA), prepared in response to decision VI/7-A, 2005.
- The Energy & Biodiversity Initiative - Integrating Biodiversity into Environmental and Social Impact Assessment.
- ISO26000:2011.
- NP4469:2008.
- IQnet SR10:2011.
- ABNT NBR16001:2012.
- United Nations Global Compact.

Galp Energia References:

- NR – 002/2012: Corporate Responsibility Policy;
- NR – 009/2007: Health, Safety & Environmental Policy;
- Integrating Biodiversity Issues in Environmental and Social Impact Assessments conducted in connection with Upstream Projects, 2013;
- Corporate Manual: G+ System;
- GR-005: Visible Commitment of Top-Level and other Managers – Implementation Guide;
- NR-004: HSE Management System – Organisational Structure;
- Line Responsibility Matrix;
- MC-01: Corporate SEQ Monitoring and Reporting Manual;
- NPG-002: Internal Safety, Environment & Quality Audits;
- GR-009: Internal SEQ Audit Guide;
- MP-003: HSE Guide for the Marketing and Communications Departments;
- NPG-010: Processing of Non-Compliances. Management of Corrective and Preventive Actions;
- NPG-013: Work Permits;
- NPG-024: Preventive Environment and Safety Observation Programme;
- NPG-031: Change Management;
- NPG-034: SEQ Requirements applicable to Relationships with Suppliers;
- NPG-038: HSE Requirements applicable to Facilities/Site decommissioning;
- NPG-039: HSE Requirements applicable to Investment and Divestment Processes;
- NPG-035: Process Risk Analysis;
- GT-001: Guidelines for Integrating Environmental Issues into Safety Reporting and Internal Emergency Plans;
- GR-021: Regulatory Guide applicable to SEQ Performance Indicators;
- NPG-022: Mechanical Integrity System;
- NR-003: Communication Principles in Crisis Situations.