

SFDR
Principal
Adverse Impacts
2022



SFDR – Principal Adverse Impacts

Context and Galp's disclosure

The **Sustainable Finance Disclosure Regulation** (SFDR) imposes mandatory disclosure obligations for financial market participants and advisers on sustainability-related data and policies at entity, service, and product levels. This regulation comes in order to increase transparency around sustainability claims made by financial market participants.

The SFDR Delegated Regulation requires that these disclosures be published through **Principal Adverse Impacts** (PAI). A Principal Adverse Impact (PAI) is any impact of investment decisions or advice that results in a negative effect on sustainability factors.

In order to facilitate access to Galp's non-financial information, we disclose correspondence tables in which we have matched the applicable main and additional indicators mentioned in the PAI tables to the GRI indicator or their reference in other reports (e.g., Annual report, CDP, risk screenings).

The main sources for Galp's non-financial information are:

- **[Galp's Integrated Management Report 2022](#) :**
- Part I – 2. Strategic framework
- Part II – Sustainability Journey
- Part V – 1. Non-financial consolidated information
- Part V – 2. Sustainability standards – GRI, SASB, WEF
- **[Galp's Corporate Governance Report 2022](#)**
- **[Galp's Answer to CDP Climate Change 2022](#)**
- **[Galp's Risk Screening for Biodiversity 2022](#)**
- **[Galp's Risk Screening for Water Use 2022](#)**
- **[Human Rights Operational Assessment](#)**
- **[Galp's Corporate Documents](#)**
- **[Galp's website](#)**

Principal Adverse Impacts

Correspondence table on environment-related indicators



Table 1 – Environment-related and social indicators

Adverse sustainability indicator	Metric	GRI ¹	Reference
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS			
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions	305-1 Galp's Integrated Management Report 2022 (Part II – 1. Our Journey to Net Zero by 2050)
		Scope 2 GHG emissions	305-2 Galp's Integrated Management Report 2022 (Part II – 1. Our Journey to Net Zero by 2050)
		Scope 3 GHG emissions	305-3 Galp's Integrated Management Report 2022 (Part II – 1. Our Journey to Net Zero by 2050)
		Total GHG emissions	305-1,2,3 Galp's Integrated Management Report 2022 (Part II – 1. Our Journey to Net Zero by 2050)
	Carbon footprint	Carbon footprint	305-1,2,3 Galp's Integrated Management Report 2022 (Part II – 1. Our Journey to Net Zero by 2050)
	GHG intensity of investee companies	GHG intensity of investee companies	305-4 Galp's Integrated Management Report 2022 (Part II – 2. Preserve our planet)
	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Galp's Answer to CDP Climate Change 2022
Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	302-1 Galp's Integrated Management Report 2022 (Part II – 2. Preserve our planet)	

¹ Please consult our 2022 report: [Galp's Integrated Management Report 2022](#) (Part V – 2. Sustainability standards – GRI, SASB, WEF)



Principal Adverse Impacts

Correspondence table on environment-related and social indicators

Table 1 – Environment-related and social indicators

Adverse sustainability indicator	Metric	GRI ¹	Reference	
Biodiversity	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	304-1	Galp's Integrated Management Report 2022 (Part II – 2. Preserve our planet) Galp's Risk Screening for Biodiversity 2022
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	303-4	
Waste	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	306-2	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS				
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises		Galp's Integrated Management Report 2022 (Part V – 1. Non-financial consolidated information – EU Taxonomy)

¹ Please consult our 2022 report: [Galp's Integrated Management Report 2022](#) (Part V – 2. Sustainability standards – GRI, SASB, WEF)

Principal Adverse Impacts

Correspondence table on social indicators



Table 1 – *Environment-related and social indicators*

Adverse sustainability indicator	Metric	GRI ¹	Reference
Social and employee matters	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		Galp's Integrated Management Report 2022 (Part V – 1. Non-financial consolidated information – EU Taxonomy)
	Unadjusted gender pay gap	405-2	Galp's Integrated Management Report 2022 (Part II – 3. Boost a just transition for all)
	Board gender diversity	405-1	Galp's Corporate Governance Report 2022

¹ Please consult our 2022 report: [Galp's Integrated Management Report 2022](#) (Part V – 2. Sustainability standards – GRI, SASB, WEF)

Principal Adverse Impacts

Correspondence table on additional environment-related indicators



Table 2 – Additional climate and other environment-related indicators

Adverse sustainability indicator	Metric	GRI ¹	Reference	
Emissions	Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average	305-7	Galp's Integrated Management Report 2022 (Part II – 2. Preserve our planet)
	Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average	305-6	Galp's Integrated Management Report 2022 (Part II – 2. Preserve our planet)
Energy performance	Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source		Galp's Answer to CDP Climate Change 2022
Water, waste and material emissions	Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies 2. Weighted average percentage of water recycled and reused by investee companies	303-5	Galp's Integrated Management Report 2022 (Part II – 2. Preserve our planet)
	Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy		Galp's Integrated Management Report 2022 (Part II – 2. Preserve our planet) Galp's Risk Screening for Water Use 2022
	Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	306-3	Galp's Integrated Management Report 2022 (Part II – 2. Preserve our planet)

¹ Please consult our 2022 report: [Galp's Integrated Management Report 2022](#) (Part V – 2. Sustainability standards – GRI, SASB, WEF)

Principal Adverse Impacts

Correspondence table on additional environment-related indicators



Table 2 – Additional climate and other environment-related indicators

Adverse sustainability indicator	Metric	GRI ¹	Reference
Water, waste and material emissions	Natural species and protected areas	304-4	Galp's Integrated Management Report 2022 (Part II – 2. Preserve our planet) Galp's Risk Screening for Biodiversity 2022
	Deforestation		Galp's Integrated Management Report 2022 (Part II – 2. Preserve our planet)

¹ Please consult our 2022 report: [Galp's Integrated Management Report 2022](#) (Part V – 2. Sustainability standards – GRI, SASB, WEF)



Principal Adverse Impacts

Correspondence table on additional social indicators

Table 3 – Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator	Metric	GRI ¹	Reference	
Social and employee matters	Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	403-9	Galp's Integrated Management Report 2022 (Part II – 4. Protect and empower our people)
	Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	403-9	Galp's Integrated Management Report 2022 (Part II – 4. Protect and empower our people)
	Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)		Galp's Corporate Documents
	Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters		Galp's Corporate Documents
	Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers		Galp's Corporate Documents
	Incidents of discrimination	1. Number of incidents of discrimination reported in investee companies expressed as a weighted average 2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average	406-1	

¹ Please consult our 2022 report: [Galp's Integrated Management Report 2022](#) (Part IV – 2. Sustainability standards – GRI, SASB, WEF)

Principal Adverse Impacts

Correspondence table on additional social indicators



Table 3 – Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator	Metric	GRI ¹	Reference
Social and employee matters	Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	2-21
Human Rights	Lack of a human rights policy	Share of investments in entities without a human rights policy	2-23 Galp's Corporate Documents
	Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts	Galp's Corporate Documents
	Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings	Galp's Corporate Documents
	Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation	408-1 Galp's Integrated Management Report 2022 (Part II – 3. Boost a just transition for all & 5. Promote a value-adding, conscious business) Human Rights Operational Assessment Galp's Corporate Documents

¹ Please consult our 2022 report: [Galp's Integrated Management Report 2022](#) (Part V – 2. Sustainability standards – GRI, SASB, WEF)



Principal Adverse Impacts

Correspondence table on additional social indicators

Table 3 – Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator	Metric	GRI ¹	Reference	
Human Rights	Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or the type of operation	409-1	Galp's Integrated Management Report 2022 (Part II – 3. Boost a just transition for all & 5. Promote a value-adding, conscious business) Human Rights Operational Assessment Galp's Corporate Documents
	Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis		Galp's Integrated Management Report 2022 (Part II – 3. Boost a just transition for all) Human Rights Operational Assessment Galp's Corporate Documents
Anti-corruption and anti-bribery	Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	Anti-corruption (3-3)	Galp's Corporate Documents
	Cases of insufficient action taken to address breaches of standards of anti-corruption and antibribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	205-1	
	Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies	205-3	

¹ Please consult our 2022 report: [Galp's Integrated Management Report 2022](#) (Part V – 2. Sustainability standards – GRI, SASB, WEF)



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