

Sustainability

Our commitments



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**Acting ethically
and responsibly**

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**Engagement with
stakeholders**

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Valuing human capital

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environment and
assets**

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**Innovation, research
technology**

Our Commitments

To ensure the existence, implementation and monitoring of instruments and policies that ensure an action that is transparent, ethic, and in accordance with the applicable legislation or regulations.

To ensure that none of our management activities lead, directly or indirectly, to violations of human rights in any geographical context, throughout the value chain or anywhere within our sphere of influence, as set out in the Universal Declaration of Human Rights and the International Labour Organization's core conventions.

To promote diversity and effective equal opportunities throughout the Organization.

Objectives and Goals

We intend to keep exceeding goals:

- Accelerated convergence to gender parity until 2030.
- Implement human rights impact assessments in the most significant geographies.
- Continue to ensure the participation in national and international entities on compliance, ethics issues, and human rights.
- Promote the respect for Galp's [Code of Ethics and Conduct](#) and main policies and practices in the Joint Ventures.
- Certify Galp's Group compliance management system

What we have already implemented

- We have a [Sustainability Committee](#), in order to promote the dissemination and application of best practices in the sector in all the business and corporate areas.
- We established a [Diversity Policy](#) for Galp's management and supervisory bodies.
- We approved the [Plan for Gender Equality 2022](#), as a way to promote effective equal treatment and opportunities between women and men, the elimination of gender discrimination and to foster the reconciliation of personal, family and professional life.
- We implemented a set of training sessions for the entire organisation on the topic of diversity, namely on unconscious bias.
- We are part of the Bloomberg Gender Equality Index since 2019.
- We assumed the commitment to increase the number of disabled workers, contributing to a more just and inclusive community.
- We have a [Code of Ethics and Conduct](#) and an irregularity reporting channel (opentalk@galpenergia.com), applicable to all our Stakeholders and aligned with the European Directive.
- We have an [Ethics and Conduct Committee](#), which is responsible for monitoring the application and interpretation of the [Code of Ethics and Conduct](#), monitoring its implementation and receiving/managing the communication of irregularities, with a report line to the Audit Board.
- We have several policies, namely [Corruption Prevention Policy](#), [Prevention of Money Laundering and Financing of Terrorism Policy](#), and a [Harassment Prevention and Reaction Policy](#). In 2021, an e-learning course with topics related to corruption and conflict of interests was promoted and 2,500 people completed the course.
- We carried out human rights impact assessments in Mozambique, São Tomé and Príncipe, Portugal, Spain (Gijon and Valencia), Brazil Angola, Cape Verde, Eswatini and Namibia. In 2021, a total of 4398 hours of training in Human rights were provided.
- We joined the group of Portuguese CEOs who signed the CEO Guide to Human Rights by BCSD Portugal.
- We are certified by the NP 4469-1:2008 standard, aligned with ISO 26000:2010, on Social Responsibility.
- We are members of the Voluntary Principles on Security and Human Rights organization.
- We provided an e-learning course on the [Code of Ethics and Conduct](#) to all of Galp's employees and corporate bodies and to all tier 1 suppliers.
- We endorsed the [BCSD Charter of Principles](#) and invited our suppliers to do so.
- We participate in compliance audits to Galp's main assets that we do not operate with the aim of identifying risks and promoting the continuous improvement of governance and compliance practices.
- We have ethics and compliance due diligence mechanisms, and procedures for relevant partners and transactions (Know Your Counterparty (KYC), and Know Your Transaction (KYT)), and created a compliance risk decision-making model.

Our Commitments

To ensure that the stakeholder's expectations are identified, evaluated and monitored throughout the life cycle of our projects.

To integrate the requirements set in our policies in the life cycle of the developed projects.

To create shared value and measure the impact generated.

To promote well-being through social projects, which target essentially social development, access to energy and education in the communities, where we operate.

To ensure a sustainable management of the supply chain.

Fostering client-centricity through a differentiated value proposition.

To ensure transparent communication of the company policies, practices and performance with investors.

Objectives and Goals

We intend to keep exceeding goals:

- Evaluate the impact of our projects, monitoring their return for the benefit of the community.
- Consolidate our reference position, at national level, regarding corporate volunteering programmes, stimulating a greater participation by our employees.
- Increase in 10% the level of rating of our critical suppliers on corporate social responsibility.
- Ensure 75%-100% of local purchases.
- Obtain 100% of suppliers prequalification effectiveness.
- Assess 100% of tier 1 and non-tier 1 suppliers in ESG risk matters.
- Increase the percentage of critical tier 1 and non-tier 1 suppliers audited in ESF matters.

What we have already implemented

- In 2021, Galp contributed with €1.84m to relevant partnerships with sectorial entities and associations.
- We have a Stakeholder Management internal standard and develop regular processes and initiatives of stakeholder engagement.
- Galp stands out in the "Global RepScore Pulse" in the energy sector, a study that assesses the emotional and rational positioning and reputation of diverse brands in Portugal.
- 100% of the projects in the production and development phase are subject to consultation with communities and other stakeholders.
- We have defined and implemented a grievance mechanism for each project or operation, suitable for stakeholders and project phase.
- Galp developed environmental and social management plans to mitigate potential impacts for an exploratory drilling assessment programme in Namibia, as part of the Environmental, Social and Health Impact Assessment.
- We implemented a methodology for evaluating and valuing financial and non-financial impacts on projects for creating shared value on the economy, the environment and society as a whole (Impact Explorer).
- We implement structured community engagement and support programmes: e.g. Educating for the future; Covid-19 Food Emergency response; Terra de Esperança (Land of Hope) project; Fumukaba; Energiza; Helping people affected by the Ukrainian conflict; etc.
- As part of the social emergency response resulting from the Covid-19 pandemic, Galp carried out several initiatives such as the donation of ventilators, medical equipment, medical tests, etc. Regarding the Ukrainian conflict, a donation of €2.5m to the Red Cross was made and several initiatives from supply of energy and goods to education for young Ukrainians were developed.
- We use management tools to measure our impact in society: the London Benchmarking Group (LBG), which is an international benchmark to classify, manage, measure and communicate our contribution to society, and Social Return on Investment (SROI) methodology.
- 100% of our purchases include sustainability criteria in the respective contractual clauses.
- We restructured the supplier qualification and risk assessment process by including a reference system into our Supply4Galp platform.
- We strengthened the auditing process of our critical suppliers to ensure compliance with our sustainability requirements (e.g. health, safety and environment, ethics and human rights, among others).
- We reinforced the audit process for critical suppliers, ensuring compliance with our sustainability requirements (e.g. safety, health and environment, ethics, human rights, among others).
- 69% of our critical suppliers were rated as A+ (no risk) or A (low risk) on corporate social responsibility.
- We reached 100% of suppliers prequalification effectiveness.
- We reached a level of satisfaction above 80% of our suppliers regarding the quality of services of Galp's collaborative purchasing platform, Supply4Galp.

Our Commitments

To attract, develop, and retain talent, positioning ourselves as a competitive employer.

To implement a strategy of human capital management, ensuring the sustainability of our business, promoting value creation based on partnership, acting on development, continuous learning and demanding a high performance.

To promote a culture of autonomy, accountability and meritocracy.

To promote local hiring, contributing to the development of local communities.

To develop wellness and well-being programmes and actions to promote the health of our employees.

Objectives and Goals

We intend to keep exceeding goals:

- Increase the pay-out period for long-term incentives (>3 years).
- Extend the scope of employees covered by long-term incentives.
- Gradually eliminate the pay gap between men and women, in the different categories.
- Define and execute a training roadmap dedicated exclusively to gender equality issues.
- Maintain a rate of employee involvement with the organization of more than 75%.
- Strengthening connections to universities for the implementation of specific programs (e.g. theses, traineeships, talent incubators).
- Continue the talent development and retention programs across all job functions and age groups.
- Promote local hiring (above 90%) in all geographies where Galp develops its activity.
- Develop and implement information systems that support people management processes.

What we have already implemented

- We provided psychological support consultations, for those who felt weakened by the context of confinement and the pandemic, and a free legal and financial advice service.
- We continued the weekly Remote Talks plan and all online training content has been improved.
- We monitor the human capital return on investment (HCROI).
- We implemented a set of training sessions for the entire organisation on the topic of diversity, namely on unconscious bias.
- We renewed our partnership with Professional Women's Network of Lisbon and holding of discussion forums on gender neurosciences.
- We signed the UN Global Compact's "Equality means business" initiative as a means of measuring the gender gap and alignment of commitments in this area and created an internal and permanent transversal group to reflect and act in favour of the promotion of gender equality and the inclusion of people with disabilities.
- We are part of the Bloomberg Gender Equality Index since 2019.
- We are founding partners of the annual international event - House of Beautiful Business where is attended by several CEOs, philosophers, social scientists, artists, entrepreneurs, students, etc.
- We have set up an acknowledgement programme, which is open to all employees and highlights the ones who incorporate the Galp values in their daily lives - the Got it programme.
- We defined a new role management model, the Job Family Model, which aims to organize the company's functions into families and subfamilies, in order to facilitate the development of opportunities and personal and professional evolution.
- We performed a new Employee Engagement Climate questionnaire in 2021 and are aligned with the top-performing companies.
- We implemented the "People Days", a set of days dedicated to reflection and debate on the performance of the various teams.
- We developed a mindfulness program to cultivate a habit of healthy living for employees and develop a Wellbeing program with several activities with the aim of promoting the physical, social and emotional well-being of our employees.
- We have defined a learning and training strategy based on a 70/20/10 model (Do, Share, Know) and we are promoting new types of learning (informal and social, digital, experiential), customized, to benefit the employee's real development.
- We develop strategic development programs focused on management, leadership, business skills, innovation and entrepreneurship, such as Leading@Galp, Mentoring@Galp, Data Literacy and Tech Boost Programme.
- We revised the recruitment and mobility standard, to achieve more agility, autonomy, and responsibility in the management of processes.
- We created an international mobility policy.
- We implemented a new hybrid working model, that aims at promoting a better work-life balance.

Our Commitments

- To develop new solutions, products and businesses, in order to support society in the transition into a low-carbon economy.
- To manage climate-related risks and opportunities, through the active participation of various departments and teams of the Company.
- To encourage research and development of solutions that minimize risks and maximize opportunities related to energy and climate.
- To promote energy efficiency and innovative solutions, in order to reduce the carbon intensity of our assets, operations and products.
- To plan the adaptation to climate change, minimizing operational risks resulting from extreme weather events.

Objectives and Goals

We intend to keep exceeding goals:

- Reduce 40% of the production and 20% of all downstream sales carbon intensity, by 2030, and achieve Net Zero Emissions, by 2050.
- Acquire 100% renewable electricity in our operations in Portugal, reducing our total Scope 2 emissions to close to zero.
- Allocate 50% of net capex to low carbon investments (2021-2025).
- Allocate 35% of the Group's net capex in renewables and new energies.
- Invest up to €180m until 2025 in innovation, R&D of solutions to increase the sustainability of our products and operations.
- Scale new Upstream projects to zero flaring under normal operating conditions.
- Develop the natural gas production project in Mozambique, contributing to the increase of gas in our upstream portfolio.
- Develop biofuel production as a contribution to a low-carbon economy (e.g. 2nd generation biodiesel through HVO co-processing technology and residual raw materials, biomethane, biorefineries).
- Increase our presence in the generation of electricity from renewable sources in order to reach an installed capacity of 12 GW in 2030.

What we have already implemented

- We have a [Sustainability Committee](#) that evaluates and discusses the energy and climate context and strategy and a [Risk Management Committee](#) that supports and monitors the definition and execution of Galp's risk management strategy and policy.
- Galp's carbon intensity is part of the assessment of senior management's performance.
- We consider a carbon price in all investment decision-making processes, which together with a due diligence analysis of the activity's carbon intensity ensures the alignment of our assets and operations with a lower carbon economy.
- We participate in the WBCSD SOS 1.5, which aims to help companies in all sectors to define goals and strategies in line with 1.5°C scenarios and are part of several BCSD Portugal working groups that aim at cooperation to define a strategy for carbon neutrality in 2050.
- We have joined the Take Action We Mean Business platform in partnership with the United Nations Framework Convention on Climate Change and subscribed to the Energy Transition Principles in which companies commit to contribute to improve emissions disclosure, as well as to the acceleration of the energy transition and GHG emission reduction, in agreement with the Paris Agreement.
- We have subscribed the Financial Stability Board's (FASB) Task Force on Climate-related Financial Disclosure (TCFD) to transparently disclose the financial risks connected to climate change.
- We have joined the "Zero Routine Flaring" initiative of the World Bank Group.
- In the last 2 years we invested c. €490m in renewable energy projects and acquired solar PV projects in Spain, comprising a total generation capacity of over 4 GW by 2025, of which over 960 MW are already operational.
- In 2021 we had more than 1350 kton CO₂e of avoided emissions through renewable energy and energy solutions and achieved 100% of renewable electricity in our operations in Portugal. In 2021 we also produced c. 24 kton of 2nd generation FAME biodiesel (Enerfuel plant).
- In Brazil we implemented CO₂ capture, separation and re-injection systems in the offshore projects where we have participations and we produce raw materials for biofuels.
- We have certified our refining system in Energy (ISO 50001) and implemented relevant refining activity conversion and energy efficiency improvement projects, with an investment of c. €2.1 m in 2021.
- We participated in the LNEG working group on biorefineries and integrated the technical standardization commission for natural gas and biomethane for transportation and biomethane for injection into the natural gas network.
- Galp Solar continued growing its decentralised power business, reaching an installed capacity of c. 13 MW.
- We provide integrated charging, vehicle sharing and fleet management solutions through GoWithFlow, increasing efficiency and reducing emissions, having implemented the largest network of charging points for electric vehicles in Portugal and started developing the charging network in Spain.
- We implement technological solutions and offer integrated energy efficiency services that benefit our customers, reducing costs and emissions.
- We developed, along with our partners, a case study for the implementation of an industrial cluster for the production of green H₂ in Sines.

Protection of people, environment and assets

Our Commitments

Zero personal, material, environmental and security accidents with significant impact.

To guarantee the adoption of Safety, Health, Environmental and security policies and standards that ensure implementation of the commitment.

To ensure that in all projects and activities, we integrate the specific HSE and Sustainability requirements throughout their life cycle, ensuring legal compliance, and guaranteeing that risk assessment and associated impacts are part of the decision-making criteria.

To promote, throughout the life cycle of projects, operations and products, the application of best available techniques and more efficient technologies, and circular business models.

To promote eco-efficiency, biodiversity preservation and the protection of soil and water resources.

Not refine, explore and drill in World Heritage areas and IUCN Category I-IV protected areas.

Objectives and Goals

We intend to keep exceeding goals:

- Improve Galp's Sustainability performance to become no. 1 at DJSI World.
- Continue to be a reference in terms of the Environment, increasing our Ecoefficiency by 15%, in 2022.
- Invest in the best practices available on safety and environment
- Manage and mitigate Environmental Liabilities.
- Ensure assessment of water and biodiversity risks, guaranteeing no net loss, in 100% of facilities.
- 100% of our projects are subject to environmental impact assessment and monitoring in areas where we operate.
- Guarantee 100% of major sites certified in environment and safety.
- Reaching the goal of zero personal, material, environmental and security accidents of significant impact.
- Reduce Galp's LTIF (Lost Time Injury Frequency) by 2022 to 0.3.
- Implement a strategic action plan, in the period 2019–2022, in order to uphold an excellent safety culture, including the implementation of a reward-consequence system for all of our operations.

What we have already implemented

- We integrated our Management Systems in different business units (including Environment, Quality, Safety and Energy standards) into a single integrated management system.
- We publicly disclosed the results of the main environmental and social impact studies (EIA/SIA) we have carried out.
- We monitor and evaluate the return on environmental investments, expenses, avoided costs and savings.
- We monitored 100% of Galp's operations with risk associated with water use and biodiversity, using the WRI Aqueduct Water Tool and Integrated Biodiversity Assessment Tool (IBAT), respectively.
- Galp developed environmental and social management plans to mitigate potential impacts for an exploratory drilling assessment programme in Namibia, as part of the Environmental, Social and Health Impact Assessment.
- We have collaborated with BCSD Portugal/WBCSD on the implementation of the CTI tool - Circular Transition Indicators - to assess the circularity metrics of a product.
- We have programmes for incident prevention and investigation, promoting the reporting of near misses and disseminating lessons learned.
- We have developed a mobile application for reporting the near-accidents.
- We have adopted the Galp Life Saving Rules. In this context, an App and an e-learning programme were launched for all employees and service providers.
- We have carried out safety training for all employees with investigation responsibilities and homologation of accidents.
- We redefined the process safety management framework which includes clear objectives and requirements to be achieved in key areas such as risk assessment, operational control, change management, competence and performance monitoring.
- We have launched a Red Team exercise program to assess the security's vulnerability of its facilities.
- We have adapted to teleworking, for duties that could be performed in that manner, with several corporate initiatives to minimise the impacts of this situation – online physical exercises, online meditation, and psychological support line.
- We perform medical check-ups to all new employees.
- We carried out campaigns and actions to raise awareness and prevention of diseases and epidemics in geographical areas at risk (for instance, Covid-19, Ebola, Dengue, Malaria, HIV, Tuberculosis), affecting our employees and the surrounding communities.
- In 2021, Galp was no.1 in DJSI World, leading Environmental and Social dimensions.

Our Commitments

To promote a culture of innovation throughout the Organization.

To ensure the integration of research and development practices into the Company's strategic formulation and its business model.

To evaluate new products and technological solutions in line with the energy transition challenge.

To find new disruptive technologies that will enable us to reduce the environmental impact of our global operations, with a focus on carbon capture, utilization and storage (CCUS).

To promote technological development and encourage knowledge networks through partnerships.

To disseminate knowledge and new trends in the energy sector, contributing to the reflection about the diversification of Galp's business portfolio.

Objectives and Goals

We intend to keep exceeding goals:

- To invest about €180m in innovation and research & development by 2025.
- Explore solutions that enable the digital transformation of the O&G business, increasing its efficiency and reducing emissions.
- Define technical solutions to optimize resources in Galp operations and partnerships that allow to optimize the business and reduce consumption and emissions.

What we have already implemented

- We have centres and an Innovation factory.
- We have more than 100 innovation projects implemented.
- In 2021, 77 partners were engaged in projects, culminating in 6 acceleration programmes, 18 pilots and 25 projects closed.
- We have started and continued a set of projects regarding R&D and innovation programmes relating to CCUS within the scope of the exploration and production activity, in terms of capture, utilization, and storage of carbon.
- We have developed together with our partners a feasibility study for a pan-European project that aims to implement an industrial cluster for the production of green hydrogen based in Sines.
- We have funded 260 Galp 21 scholarships in thirteen years.
- We are the only Iberian operator in the energy sector to have full access to the Energy Impact Partners platform.
- We are founding members of the Singularity University, an initiative that promotes tailored programmes on various technological domains. We carry out initiatives in this scope, a Summit and a workshop.
- We implemented the largest network of charging stations in Portugal with 65 Fast Charging Points and 413 Normal Charging Points.
- We implement technological solutions and offer integrated energy efficiency services that benefit our customers, reducing costs and emissions.
- We participated in the project "Advanced membranes and membrane assisted processes for pre- and post- combustion CO₂ capture (MEMBER)".