Sustainability
Our commitments
Acting ethically and responsibly
Acting ethically and responsibly
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.
Acting ethically and responsibly
Objectives and goals

Until 2022 we intend to keep exceeding goals:

- Achieve 33% of women in the Board of Directors after 2022.
- Establish, regularly disclose and monitor an indicators dashboard on gender equality matters.
- Train 100% of our employees and critical tier 1 suppliers on the Code of Ethics and Conduct.
- Promote the respect for Galp’s Code of Ethics and Conduct and main policies and practices in the Joint Ventures.
- By 2020, implement and certify a Galp’s Group compliance management system.
- Continue to implement human rights impact assessments in the geographies with a greater risk.
- Continue to ensure the participation in national and international entities on compliance, ethics issues, and human rights.
Acting ethically and responsibly
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 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 a **Code of Ethics and Conduct** and an irregularity reporting channel ([opentalk@galpenergia.com](mailto:opentalk@galpenergia.com)), applicable to all our Stakeholders.

- We have several policies, namely **Corruption Prevention Policy**, **Prevention of Money Laundering and Financing of Terrorism Policy**, and a **Harassment Prevention and Reaction Policy**.

- We established a **Diversity Policy** for Galp’s management and supervisory bodies.

- We approved the **Plan for Gender Equality 2019**, 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 endorsed the **BCSD Charter of Principles** and invited our suppliers to do so.
Acting ethically and responsibly
What we have already implemented

- We assumed the commitment to increase the number of disabled workers, contributing to a more just and inclusive community.
- We provided an e-learning course on the Code of Ethics and Conduct to all of Galp’s employees and corporate bodies.
- 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.
- We carried out human rights impact assessments in Mozambique and São Tomé and Príncipe.
- We are certified by the NP 4469-1:2008 standart, aligned with ISO 26000:2010, on Social Responsibility.
- We are member of the Voluntary Principles on Security and Human Rights organization.
- We developed workshops in Portugal and Mozambique focused on the grievance mechanism which discussed, among other matters, a framework approach to community consultation.
Engagement with stakeholders
Engagement with stakeholders
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.
Engagement with stakeholders
Objectives and goals

Until 2022 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.

• By 2020, 50% of our critical suppliers will be rated A or A+ on corporate social responsibility.

• Ensure 75%-100% of local purchases.

• Guarantee 100% of suppliers prequalification effectiveness.
Engagement with stakeholders
What we have already implemented

- We have approved a Stakeholder Management internal standard.
- We develop regular processes and initiatives of stakeholders engagement.
- We have defined and implemented a grievance mechanism for each project or operation, suitable for stakeholders and project phase.
- We performed an assessment in accordance with the Natural and Social Capital Protocol in Namibia operations.
- We regularly held conferences to disseminate and share good practice, namely the “Sustainability Day”, engaging senior managers and stakeholders.
- 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 use management tools to measure and assess the impact of our Company in society: the London Benchmarking Group (LBG) and Social Return on Investment (SROI) methodology.
Engagement with stakeholders
What we have already implemented

• We implement structured community engagement and support programmes: e.g. Up Mission, Power up and Switch up Missions; Terra de Esperança (Land of Hope) project; Fumukaba; Energiza; etc.

• We develop projects and new digital platforms to improve the value proposition with our clients, namely customer services for clients with special needs.

• Galp stands out in the "Global RepScore Pulse" in the energy sector, a study that assesses the emotional and rational positioning and reputation of more than 2,700 brands in Portugal.

• 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 promoted an interactive session to share safety and security experiences with our business partners.
Valuing human capital
Valuing human capital

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.
Valuing human capital
Objectives and goals

Until 2022 we intend to keep exceeding goals:

• 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.

• Develop the Mobility Platform and implement proactive actions.

• Define and implement a training roadmap dedicated exclusively to gender equality issues.
Valuing human capital
What we have already implemented

• We reviewed the recruitment and mobility standard, in order to achieve more agility, autonomy and responsibility in the management of processes.

• We created an international mobility policy.

• 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 2018.

• We created a permanent group to analyze and take action on diversity matters, responsible for the discussion, definition and implementation of best practices in this area.

• We implemented the “People Days”, a set of days dedicated to reflection and debate on the performance of the various teams.
Valuing human capital
What we have already implemented

• We are founding member 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 monitor the return on investment (ROI) of human capital.

• 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 employees real development.

• We develop strategic programs focused on management, leadership, business skills, innovation and entrepreneurship (Samurai G and Galp - Prosperity challenge).

• We developed a mindfulness program to cultivate a habit of healthy living for employees.
Energy and climate
Energy and climate
Our commitments

• 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 activities.

• To develop new solutions and businesses, in order to support society in the transition into a low-carbon economy.

• To plan the adaptation to climate change, minimizing operational risks resulting from extreme weather events.
Until 2022 we intend to keep exceeding goals:

- From 2021 onward, we are committed to acquiring 100% renewable electricity in Portugal, expecting to reduce our total Scope 2 emissions to close to zero.

- By 2023, we will invest c. €66m in eco-efficiency projects, avoiding the emission of more than 150 kt CO₂e.

- The investment in low-carbon energy and new business models will account for c. 5% of total capital by 2020, and 5% to 15% from 2020 onwards.

- By 2022, we will cut the carbon intensity by 25% in Sines refinery and 15% in Matosinhos refinery, based on 2013.

- Scale new E&P projects to zero flaring under normal operating conditions.

- By 2021, put our entire refiner system in the first Solomon reference quartile of Western Europe in energy efficiency.

- Reduce the consumption of the purchase of electricity, reflected in the reduction of indirect CO₂ emissions, in the marketing of oil products business.
Energy and climate
Objectives and goals

• 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).
Energy and climate
What we have already implemented

• We have joined the “Zero Routine Flaring” initiative of the World Bank.
• 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 Take Action | We Mean Business platform in partnership with the United Nations Framework Convention on Climate Change (UNFCC).
• We have tracked and participated in the development of the “Roadmap to Carbon Neutrality by 2050 (RCN2050), for Portugal”.
• We have a Sustainability Committee that evaluates and discusses the energy and climate context and strategy.
• We have 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.
• In 2018 we had 71.365 tonCO₂e of avoided emissions through renewable energy and energy solutions.
Energy and climate
What we have already implemented

• We consider a carbon price ($40/tonCO₂e) 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.

• All our offshore operations in Brazil were equipped with CO₂ separation and re-injection systems.

• We produce raw materials for biofuels (Brazil).

• We increased our presence in energy generation from renewable sources that are competitive, particularly within a context of lower carbon intensity.

• We acquired solar power generation licenses, covering four solar power parks in Portugal, with a nominal power of 154 MWp.

• We implemented relevant refining activity conversion and energy efficiency improvement projects, with a total investment of c. €13.5 m in 2018.

• We have certified our refining system (Sines and Matosinhos) in Energy (ISO 50001).
Since 2015, the Matosinhos refinery has been in the first Solomon reference quartile in energy efficiency. We have natural gas cogeneration units.
Energy and climate
What we have already implemented

- We produce 2nd generation biofuels (Enerfuel plant).
- 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.
- We implement energy efficiency programs in our gas stations in Portugal and Spain.
- We have signed a 20-year LNG SPA for 1mtpa. This strategy is driven by the new importance of LNG as a low-carbon alternative to the provision of heavy vehicles and maritime transport.
- We implement technological solutions and offer integrated energy efficiency services that benefit our customers, reducing costs and emissions.
- We organize the Galp 21 programme, supporting 232 students (since the beginning of the program) to carry out an energy diagnosis at companies and to propose improvements to systems and behaviors.
Protection of people, the environment and assets
Protection of people, the environment and assets
Our commitments

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

• To guarantee the adoption of Safety, Health and Environmental (HSE) 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 operate, explore, mine, and drill in World Heritage areas and IUCN Category I-IV protected areas.

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

• Define and transparently communicate objectives and targets for the most material areas.
Protection of people, the environment and assets
Objectives and goals

• Reaching the goal of zero personal, material, environmental and security accidents of significant impact.

• Reduce Galp’s AFI (Accident Frequency Index with Lost Time and Fatalities) to 0.5, and become a reference in the sector for this indicator by 2020.

• Implement a strategic action plan, in the period 2018–2020, in order to uphold an excellent safety culture, including the implementation of a reward-consequence system for all of our operations.

• Guarantee 100% of major sites certified in environment and safety.

• Invest in the best practices available on safety and environment - €150m in 2017-2021.

• 100% of our projects are subject to environmental impact assessment and monitoring in areas where we operate.

• Define and implement an internal water price for the development of risk sensitivity analyzes, as a factor to be considered in decision-making.

• Ensure assessment of water risks in 100% of facilities.

• Ensure assessment of biodiversity risks in 100% of facilities, guaranteeing no net loss.
Protection of people, the environment and assets
What we have already implemented

- We integrated 15 Management Systems (including Environment, Quality, Safety and Energy) 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 concluded a new diagnosis about the Galp group’s culture of safety, which covered all employees.

- We have programmes for incident prevention and investigation, promoting the reporting of near accidents and the dissemination of lessons learned.

- We have developed a mobile application for reporting the near-accidents.

- We have adopted the Galp Life Saving Rules.

- In the last three years, we have promoted defensive driving training actions that included more than 7,500 hours of training.

- We have carried out safety training for all employees with investigation responsibilities and homologation of accidents.
Protection of people, the environment and assets
What we have already implemented

• We are members of the Voluntary Principles on Security and Human Rights, ensuring follow-up and alignment with the best practices of the industry.

• We monitor and evaluate the return on environmental investments, expenses, avoided costs and savings.

• We have invested €13.5m in eco-efficiency in refining.

• We monitored 100% of Galp’s operations with risk associated with water use and biodiversity, using the Global Water Tool and Integrated Biodiversity Assessment Tool (IBAT), respectively.

• We performed an assessment in accordance with the Natural and Social Capital Protocol in Namibia operations.

• We performed a marine seismic survey and a health, safety and environment audit to the exploration portfolio in Namibia and São Tomé and Príncipe.

• We are partner of the Oceantech project, an operations management system based on the use of smart robotic vehicles to explore the sea around Portugal.
Protection of people, the environment and assets
What we have already implemented

• We carried out campaigns and actions to raise awareness and prevention of diseases and epidemics in geographical areas at risk (for instance, Ebola, Dengue, Malaria, HIV, Tuberculosis), affecting our employees and the surrounding communities.

• We perform medical checkups to all new employees.
Innovation, research technology
Innovation, research and technology
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.
Innovation, research and technology
Objectives and goals

- To invest more than €90m in innovation, research & development by 2021.
- Funding around 100 Masters and PhD scholarships by 2020.
- To expand the fast-charging network for electric vehicles, reaching 40 fast-charging points by 2020.
Innovation, research and technology
What we have already implemented

- We performed 28 R&D projects in E&P in Brazil.

- We had started and continued a set of projects regarding seven 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 funded 232 Galp 21 scholarships in eleven years.

- We are founding member 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 40 electric fast-charging points.

- We created development programmes in R&D in partnership with the scientific and technological system:
  - Doctorate and Masters in Petroleum Engineering (ISPG and Heriot-Watt University);
  - EngIQ business doctoral programme;
  - Collaborative Laboratory NET4CO2, in partnership with the Foundation for Science and Technology, which aims to create a network for a Sustainable CO2 Economy.

- We participated in the project “Advanced membranes and membrane assisted processes for pre- and post- combustion CO2 capture (MEMBER)”. 