



galp energia

Energy on the move

2014 Sustainability Report





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01

About this Report

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1.1 About this Report

Dear Reader,

We are pleased to present our annual Sustainability Report for the year 2014. This reporting practice, which we have undertaken for the last nine years, raises awareness about our growth and development as regards sustainability.

With this report, we aim to describe the main economic, social and environmental impacts of our operations, as well as our vision for the future, our commitments, targets and actions and initiatives, both those that have been implemented and those that are due to be so.

For 2014, we have prepared the report according to the “In accordance – Comprehensive” option of the most recent version (G4) of the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). The GRI G4 Oil & Gas Sector Supplement was also taken into consideration.

Adopting this version of the guidelines allowed us to restructure our report to show our commitment to sustainability more simply, together with the path already followed and the path we plan to follow in the coming years by creating shared value.

It is important to mention that G4 gives greater importance to materiality assessment when establishing the contents that should be included. As a result, there are some matters that are no longer covered in the report this year, since they were considered to be at a second level of materiality. On the other hand, we attempted to explore in greater depth the topics that were considered to be more relevant, while always respecting the principle of balance established by the GRI.

It is also important to note that we have maintained, as in previous years, the method for consolidating and reporting information: our report covers operations carried out by our Company, whenever we have a share of 50% or more and/or we have operational control. Notwithstanding this, we also provide information on non-operational activities in which we have a minority share, in accordance with it, whenever the interests of our stakeholders so require. A concrete example of this is our Exploration & Production activity.

We invite all our stakeholders to read this report – paying particular attention to its interfaces and complementarity with our corporate website, our Annual Report & Accounts and our Corporate Governance Report – to be fully informed and confident about our Company. We work so that your decision-making processes relating to Galp Energia are supported, as much as possible, by information that is transparent, credible, simple and clear. We know that our long-lasting relationship depends on mutual benefit and that this is based on principles of transparency and trust.

For our information to create the trust needed to support your decisions regarding our Company, we continue to subject our Sustainability Report to external assurance, and we depend on the experience of PwC, which is an independent, accredited body.

To contact us, for clarifications or to make suggestions, please use one of the following methods:

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www.galpenergia.com

We wish you a pleasant reading!

Galp Energia

1.2 Messages

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Américo Amorim
Chairman of Galp Energia's Board of Directors



At Galp Energia we face a wide range of challenges every day with sincerity, responsibility and a sense of commitment. We follow sustainability issues closely and seek to take approaches that favour shared value creation between our Company and its stakeholders.

According to the United Nations (UN), world population will reach nine billion in 2040 and it is well known that the population growth is one of the greatest catalysts for energy demand: the International Energy Agency (IEA) foresees an overall increase of 37% in the world's demand for primary energy by 2040, with energy supply split into four equally important components: oil, gas, coal and low carbon sources.

In this context, concerns about the security and sustainability of energy supply are not in consequential. To deal with the global increase in energy demand, current (conventional) energy sources will still need to be explored, along with new (unconventional) forms of producing and exploring energy.

Having assumed the commitment of meeting future energy needs, we are therefore at the forefront of identifying and exploring new opportunities and we are looking to the technological frontier of oil exploration in deep and ultra-deep waters. We actively participate in the industrial and technological development of the emerging oil industry in Portuguese-speaking countries, and benefit from the fact, in the last decade, 51% of new deep water oil and gas discoveries were located in Portuguese-speaking countries, specifically Brazil, Mozambique and Angola. Of these locations, I would highlight the pre-salt area, in the Santos basin, which has enabled Brazil to lead production in Latin America; Mozambique, which it is hoped will become an important world natural gas producer in the next decade; and Angola, the second-largest oil producer in Africa.

In light of our commitments and in the pursuit of new opportunities, Galp Energia's strategic vision follows four main strands:

- efficiently developing the business;
- financial discipline and value creation;
- the effectiveness of the organisation and, at last;
- differentiated development of our human capital.

We are aware that, to continue on a successful path, these four components should be in harmony.

I cannot fail to mention the intrinsic role of sustainability in this process, which we believe will bolster our success.

Our strategic guidelines were set bearing in mind the main areas of sustainability, including economic, financial, safety, environmental, social and governance issues. Sustainability is rooted in our culture, management practices and in the activities we engage in, since we believe that this behaviour, turned into actions, targets and goals, allows us to create shared, long-term value and strengthen relationships with our stakeholders.

A sign of this commitment is the international recognition of our practices over recent years. Being part of sustainability indices reflects and values Galp Energia's sustainable DNA, without which our Company would not be the same. Good examples of this are Galp Energia's continued presence in the Dow Jones Sustainability Index and the CDP in 2014, and its recent entry into the FTSE4Good Index Series.

A final message to our stakeholders: we hope we can continue to grow together. We will be working towards precisely that outcome!

Américo Amorim
Chairman of Galp Energia's Board of Directors

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Manuel Ferreira De Oliveira
Galp Energia's CEO



Sustainability is rooted in the culture, business strategy, management actions and the activities we engage in at Galp Energia, and includes economic, environmental, social and governance issues. Sustainability is therefore approached in a structured manner, and is a strategic issue that involves every business segment of our Company. We believe that this behaviour enables us to explore a differentiating factor, driving us to create long-term value for our stakeholders and to strengthen the symbiotic nature of our relationships, particularly with the communities in which we operate.

Without losing sight of the external context and this understanding of sustainability, I intend to take a few words to describe what 2014 brought which is of relevance to our Company.

Galp Energia's strategy was established in order to explore the dynamics of the energy markets over the coming decades, in which it is agreed that there will be an increase in world demand for oil and natural gas. The growing focus on the Exploration and Production (E&P) of hydrocarbons places us in a favourable position as regards to future growth.

Nonetheless, we continue to be an integrated energy company. In the downstream area, we aim to reinforce the resilience and profitability of our operations and capture the markets where we are present by improving industrial and operational efficiency, controlling costs and making use of the growth opportunities we find. To meet these challenges, we currently have several projects: the strategic plan for energy efficiency at refineries; a project on aromatics; strategic partnerships for loyalty; and the *Bunkers Only* project, among others. In particular, I would like to highlight the project to implement a new Iberian commercial structure, aimed at adapting the Company to an increasingly competitive market and putting it in a better position to capture the return benefits that we all hope to achieve.

As regards refining, 2014 was a singular year. After the historic fall witnessed since September 2013, the second half of 2014 saw a progressive improvement in international refining margins, partly thanks to decreasing oil prices. This

phenomenon had a significant impact on the price of oil products, which, in turn and alongside other signs of economic recovery in Europe (and particularly in the Iberian Peninsula), caused a long-awaited increase in volumes sold in the second half of the year.

I would also like to mention the maintenance shutdown of the Sines Refinery, the most complex ever and the first since the conversion project units began to operate. In terms of Health, Safety and Environment (HSE), I would like to praise the fact that there were no lost workday injuries in almost 1.4 million hours worked, involving more than 300 service provision companies.

In the Supply & Trading business, the trend continued towards growing oil trading activity in spot markets and the exploration of opportunities for the structured trading of liquefied natural gas (LNG). Here, the challenges involve ensuring a secure supply portfolio, sustaining the LNG trading margins and developing oil trading.

In the Gas & Power business, in 2014 we reinforced our position in the liberalised electricity and gas markets, as well as the dual offer in the B2C segment, bringing us closer to the strategic goal of consolidating the integration of natural gas and power operations. We also strengthened our tri-fuel offer, which is now called Energia³.

In the E&P segment, the various transformational projects continued in 2014 – with identified geological resources, established development plans and guaranteed financing – so that our production can increase from the current 28,000 barrels of oil equivalent per day to more than 200,000 barrels by 2020, growing at a breathtaking pace within the oil industry. We have continued to follow the path mapped out, 2014 being a key moment in the strategy execution of our plan, specifically: consolidating the decision to invest and contract the development project for block 32 in Angola; the start of operations at the FPSO Cidade de Mangaratiba, in Brazil; and progress on several fronts of the development project for natural gas resources in the Rovuma basin, in Mozambique. Furthermore, I would like to point out that we ended our first experience as operator in shallow waters – the

offshore exploration in Morocco – with zero accidents. Although this exploration has not found the presence of commercially viable hydrocarbons, it provided a fundamental experience on pursuing one of our strategic objectives: taking greater control over the execution of E&P projects. In the same segment, I would like to highlight the partnership agreement with Eni for hydrocarbon exploration in the Alentejo basin, on the borders of the Portugal offshore area.

At corporate level, I must emphasise the process to restructure our organisational model, which was implemented to guarantee greater focus, effectiveness and flexibility in our operations. More specifically, as regards our human capital, I would like to point to the growth of the Galp Energia Academy and its training programmes, which promote the development of internal knowledge and bring the Company closer to the technological and scientific world.

On the road to the future, it is worth mentioning the launch of the Master's in Oil Engineering, offered by the Institute of Oil and Gas (ISPG) in partnership with Heriot-Watt University. The ISPG is the result of Galp joining forces with the six largest Portuguese universities to develop research and advanced training projects and to encourage the development, transmission and spread of science and applied technology to activities in the energy sector, especially oil and gas.

2014 was also the year of a new stakeholder consultation process. The context of expansion and the strategic readjustment of recent years justified consulting a broader range of stakeholders, and there was an extraordinary number of responses from overseas. This will surely help us, in the coming months, to promote a plan for continued involvement aimed at meeting the expectations of the players with whom we have relationships, from clients to suppliers, from partners

to the technical and scientific community, sector associations to government bodies, and naturally including the employees with whom a large amount of our goodwill lies.

In terms of our relationship with suppliers, 2014 was also a year of change: Supply4Galp, an electronic platform to support the procurement and purchasing process at Galp Energia, was developed and launched. The platform allows the registration and qualification of suppliers, participation in consultation processes and the management of all the stages of the process, quickly and transparently.

And because the markets acknowledge good performance and believe in our ability to create long-term value, we continue to be included in the Dow Jones Sustainability Index, which means we remain part of the small group of companies that form the "Europe" and "World" indices. In the CDP, we reached an unbeatable score of 100 in the Climate Disclosure Leadership Index (CDLI), while staying in the honourable B band for performance. What was new was Galp Energia's admission, for the first time, to the FTSE4Good, which shows the consistency of our vision and action relating to sustainability.

To conclude, 2014 was a year of challenges, full of good moments but also not so good moments. We are optimistic about 2015, since the good moments give us a sense of contentment and achievement and the not so good moments provide us with humility and help us grow, preparing us for future challenges.



Manuel Ferreira De Oliveira
Galp Energia's CEO



02

Who we are and in what context we are growing

- 2.1 What we are today
- 2.2 Our business strategy
- 2.3 What brought us here: the new millennium years
- 2.4 Our operational chain
- 2.5 Where we have reached
- 2.6 The external context: climate and energy, a relationship to be reconciled
- 2.7 An overview of 2014

2.1 What we are today



Galp Energia

We are an integrated energy company operating in the following segments: Exploration & Production (E&P), Refining & Marketing (R&M) and Gas & Power (G&P), but focussed on E&P.



Lisbon

Headquarters
in Lisbon, Portugal



€6,991 m

Market capitalisation



6,855

Employees



1,449

Service stations



14

Presence in 14 countries
on 4 continents



833 mboe

3P Reserves



€373 m

Net profit RCA



7.5 bcm

Sales of Natural Gas



2

Refineries

Please find more information in the institutional films and Galp Energia's YouTube channel .
 If you are reading the PDF version of this report, click here .

VISION

To be the energy sector benchmark Company in the markets where we operate.

MISSION

Our mission is to create value for customers, staff and shareholders, acting in the energy markets with ambition, innovation and competitiveness, encouraging respect for the principles of ethics and sustainability.

VALUES

Our practices are founded on the four values that define us, unite us and inspire us every day with the pride of being GALP.

G

GROWING TOGETHER

We grow together and together we go further, creating more value!

A

ACTION

We want to make, we want to deliver... we are the energy that moves and goes forward!

L

LOOKING INTO THE FUTURE

We work as if there were a tomorrow, conciliating the short, medium and long-term.

P

PASSION

We are dedicated, we feel enthusiasm about what we do, we are GALP in body and soul!

POLICIES AND CODES

Know more about Galp Energia's policies and codes on our website. If you are reading the PDF version of this report, click here .

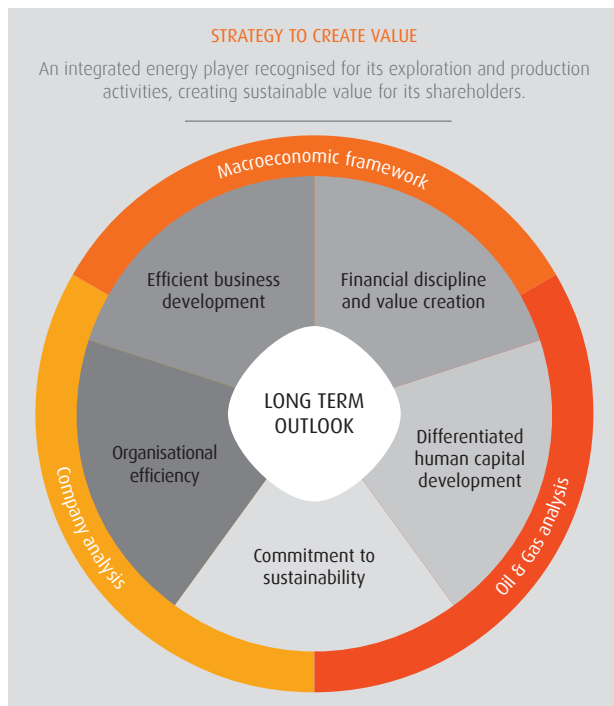
- Purchasing policy
- Code of ethics
- Compensation policy
- Anti-corruption policy

- Whistle-blowing policy
- Dividend policy
- Galp Energia's policy on climate change
- Refinery energy policy
- Health, Safety and Environment policy
- Quality policy
- Prevention of serious accidents policy
- Corporate responsibility policy

- Human rights policy
- Community investment policy
- Information security policy
- Safe driving policy
- Risk management policy
- Remuneration policy
- Privacy policy

2.2 Our business strategy

We aim to become an integrated energy operator recognised for our exploration and production activity, creating sustainable value for our shareholders. In this context, a clear strategy has been defined, focusing on reinforced E&P operations, complemented by efficient, competitive downstream and gas businesses and supported by solid financial capacity. This strategy enables us to face the dynamics of the Oil & Gas sector, specifically the volatile and cyclical nature of oil and natural gas prices and refinery margins, while capitalising on the Company's assets and competitive advantages, and mitigating the main risks to which we are exposed.



Get to know more about our strategy in Galp Energia's Annual Report and Accounts 2014.



Efficient development of businesses



- Developing E&P projects, protecting value and guaranteeing optimum development solutions.
- Extracting more value from projects throughout their life cycle.
- Ensuring internal expertise and influence in partnerships.
- Increasing exploration activity in accordance with clear, thorough criteria, in line with the Company's growth profile.
- Strengthening competences as an E&P project operator.



- Integrating refining and marketing activities, aligning profiles and production and sales volumes.
- Focusing on energy efficiency and optimising the refining equipment process.
- Ensuring the competitiveness of marketing operations in the Iberian Peninsula.
- Increasing sales in international markets.
- Maximising cash flow generation.



- Ensuring a relevant base for natural gas demand in the Iberian market.
- Ensuring the long-term supply of gas, by building a diversified and flexible portfolio.
- Increasing sales of LNG in the international market.

Financial discipline and value creation

- Prioritising the allocation of capital to the E&P business.
- Maintaining the net debt to Ebitda ratio below two, in the Company's accelerated growth phase, dropping to levels in line with comparable peer group companies.
- Maintaining a dividend policy in line with the Company's growth profile and with the practices of comparable peer group companies.
- Protecting shareholder value and increasing the level of internal and external demand.
- Proactively managing the portfolio to ensure liquidity, diversifying risk and monitoring and sustaining value.

Guarantee of organisational efficiency

The execution of the strategy will depend on the effectiveness of the organisational and governance model, and involves leadership, processes and technology, people, individual skills and experience, and the way in which responsibility and reporting are defined and implemented.

Differentiated human capital development

The differentiated development of human capital should enhance technical abilities and also soft skills. The human capital strategy is focused not only on developing, attracting, retaining and motivating people, which is showcased by a new culture of autonomy and accountability, but also on creating a differentiated value proposition for employees.

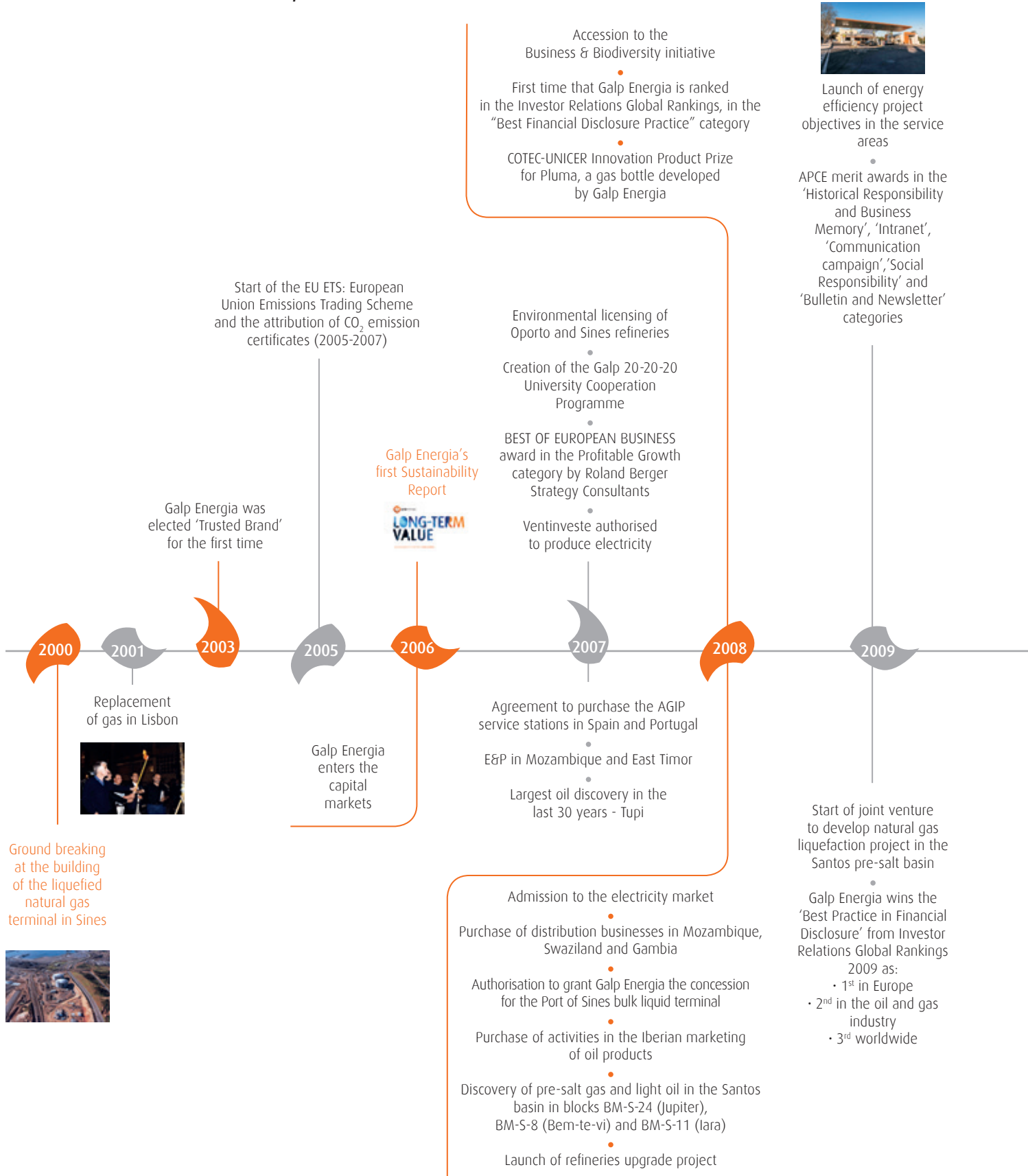
Commitment to sustainability

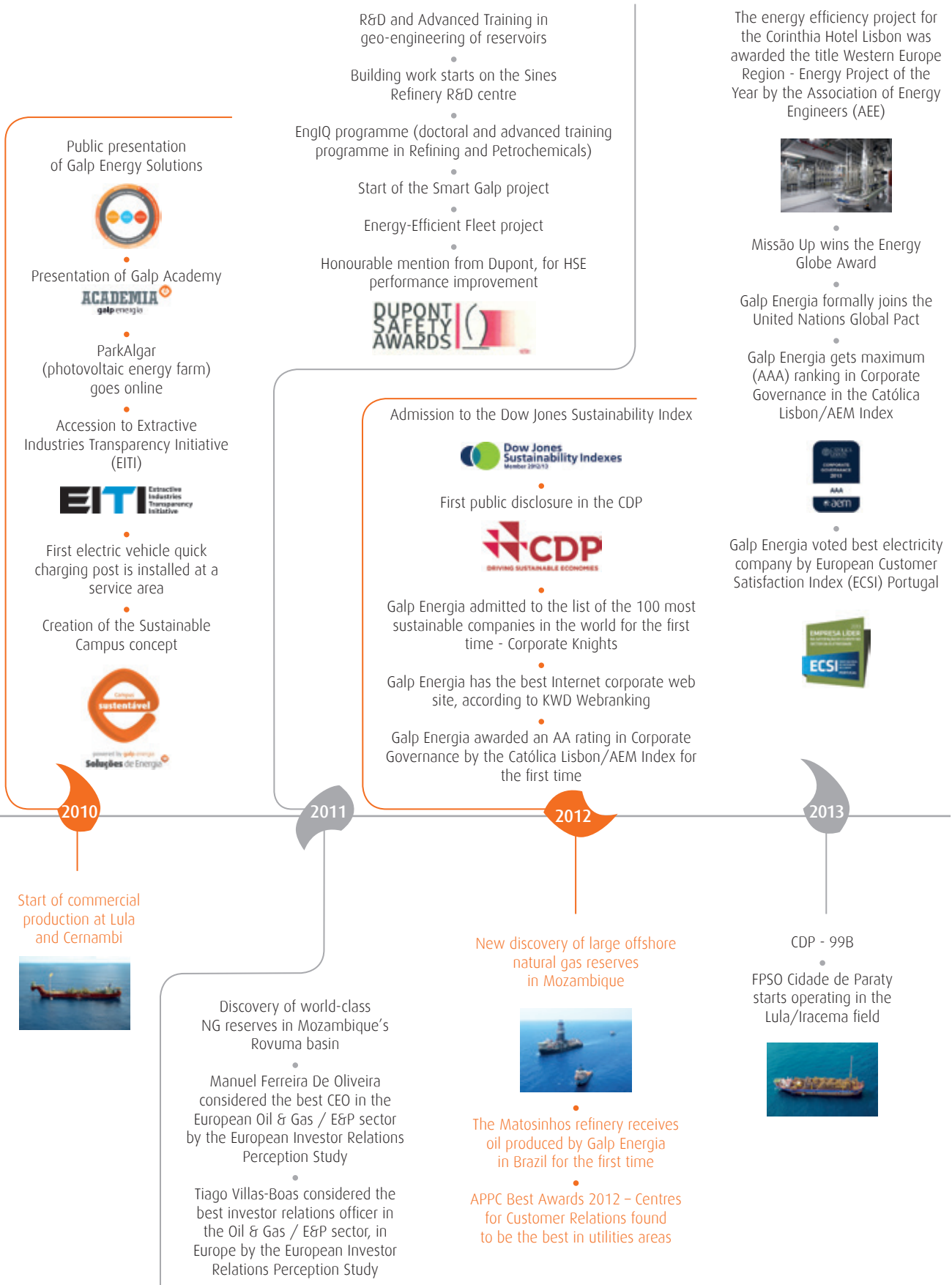
- Acting responsibly and ethically, ensuring the best governance practices and transparency.
- Engaging with the community and other stakeholders and encouraging the creation of shared value.
- Valuing human capital.
- Helping to satisfy future energy needs and minimise the intensity of the carbon footprint.
- Ensuring the protection of the environment, people and assets.
- Promoting innovation, research and technological development.

Find out more about our sustainability commitments throughout this report.

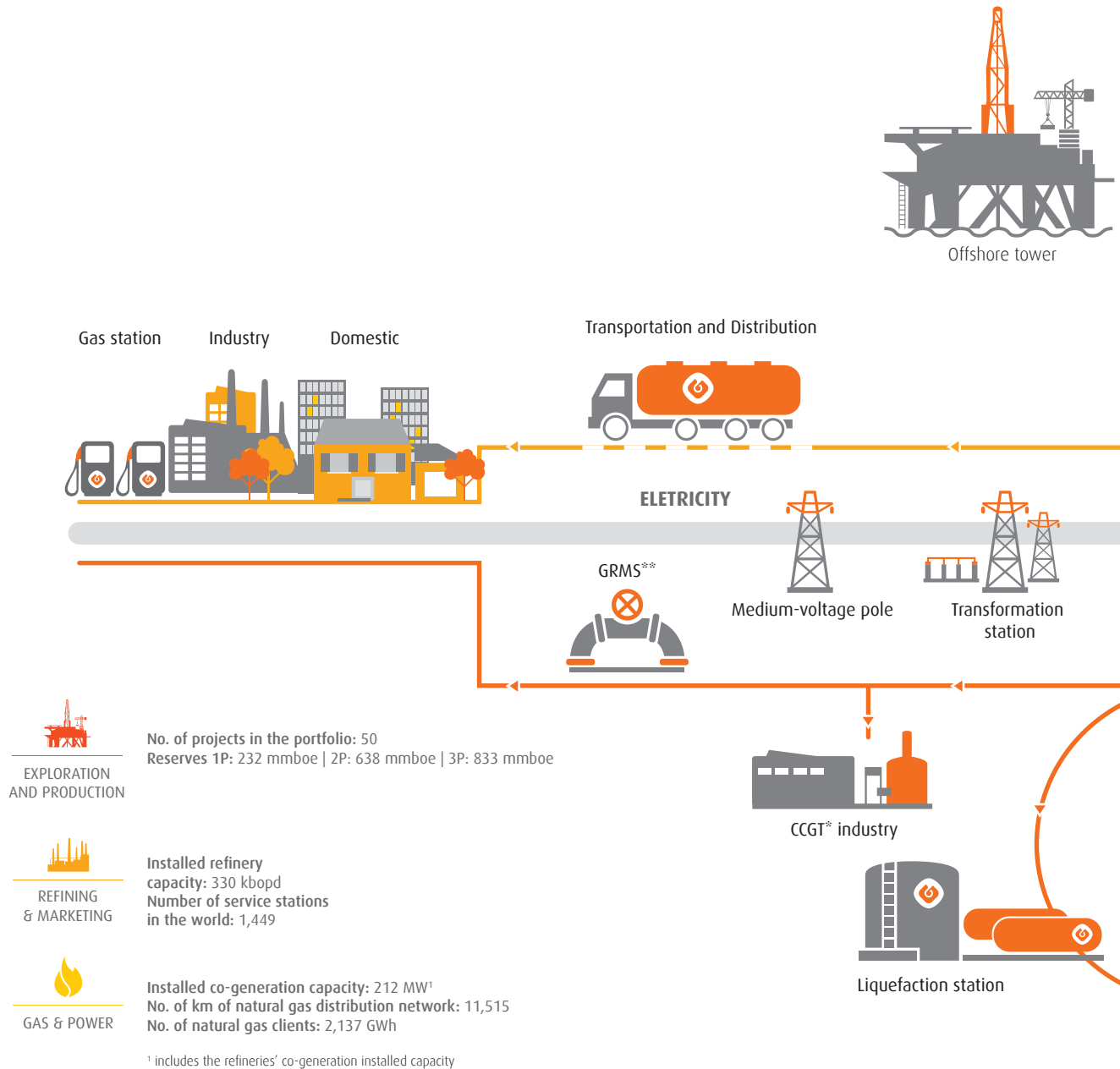
2.3 What brought us here: the new millennium years

We believe that, in order to write our future, we must know how to read our past...

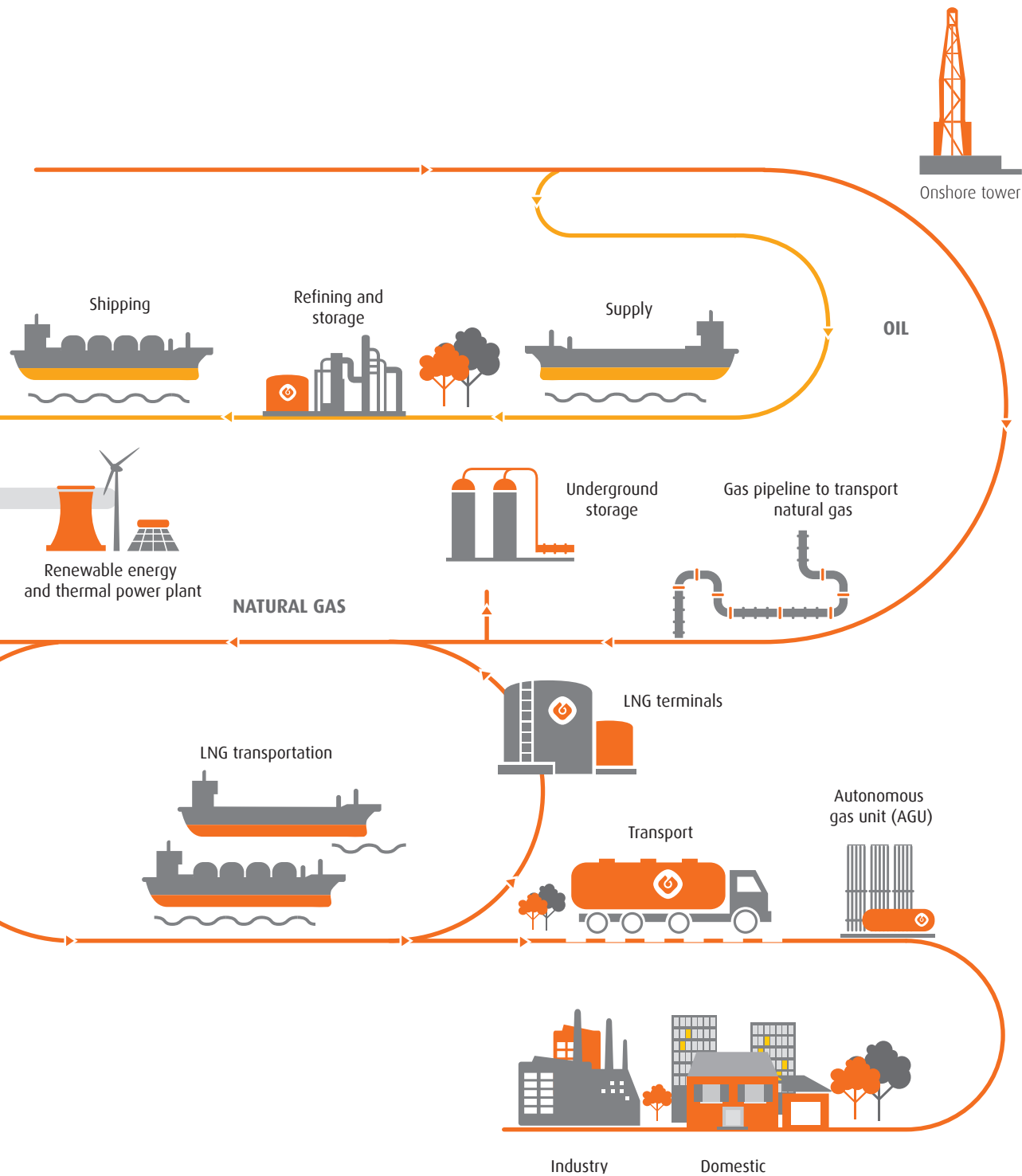




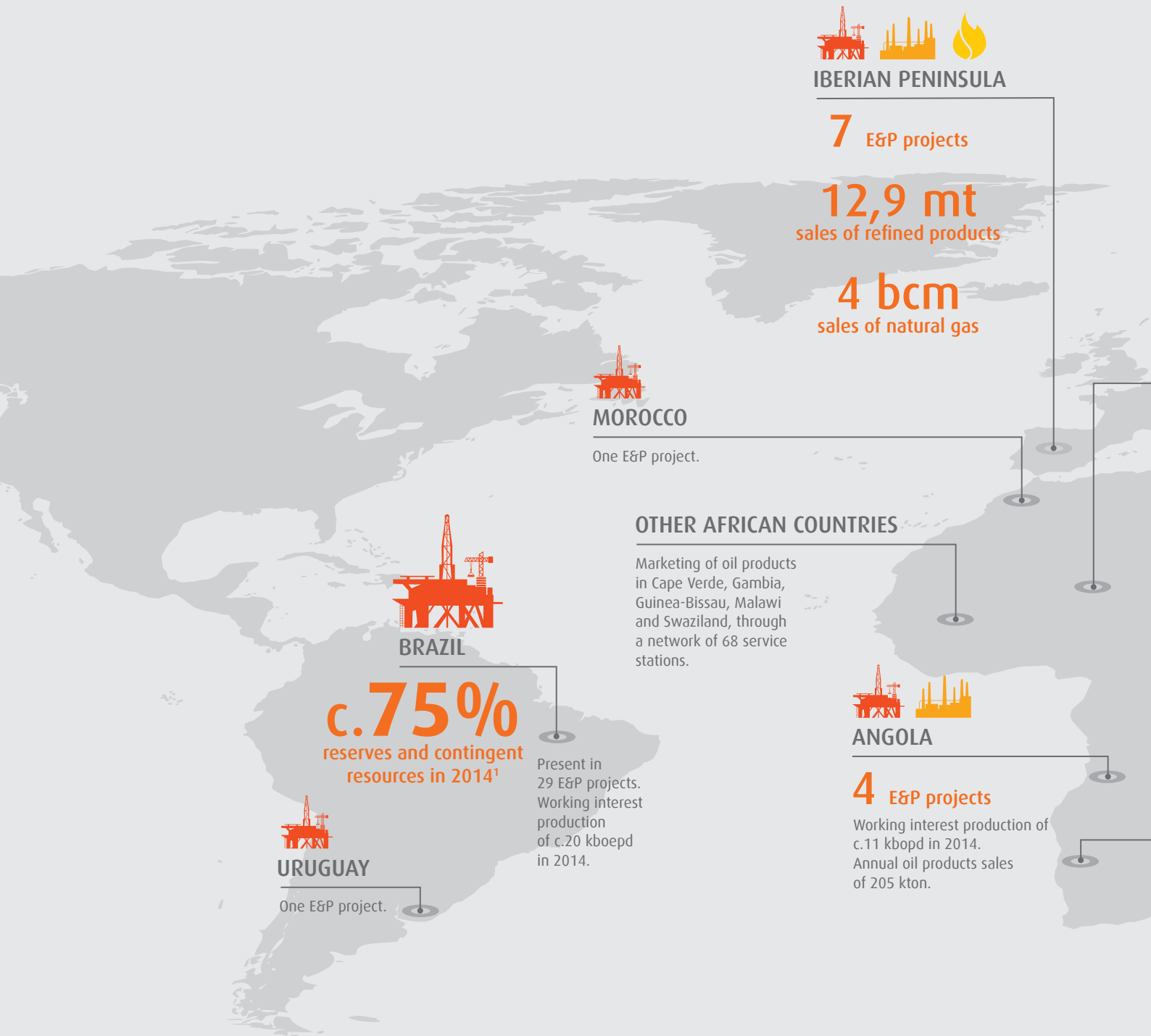
2.4 Our operational chain



*CCGT Power Station - combined cycle gas turbine
 **GRS- gas regulation and metering station



2.5 Where we have reached

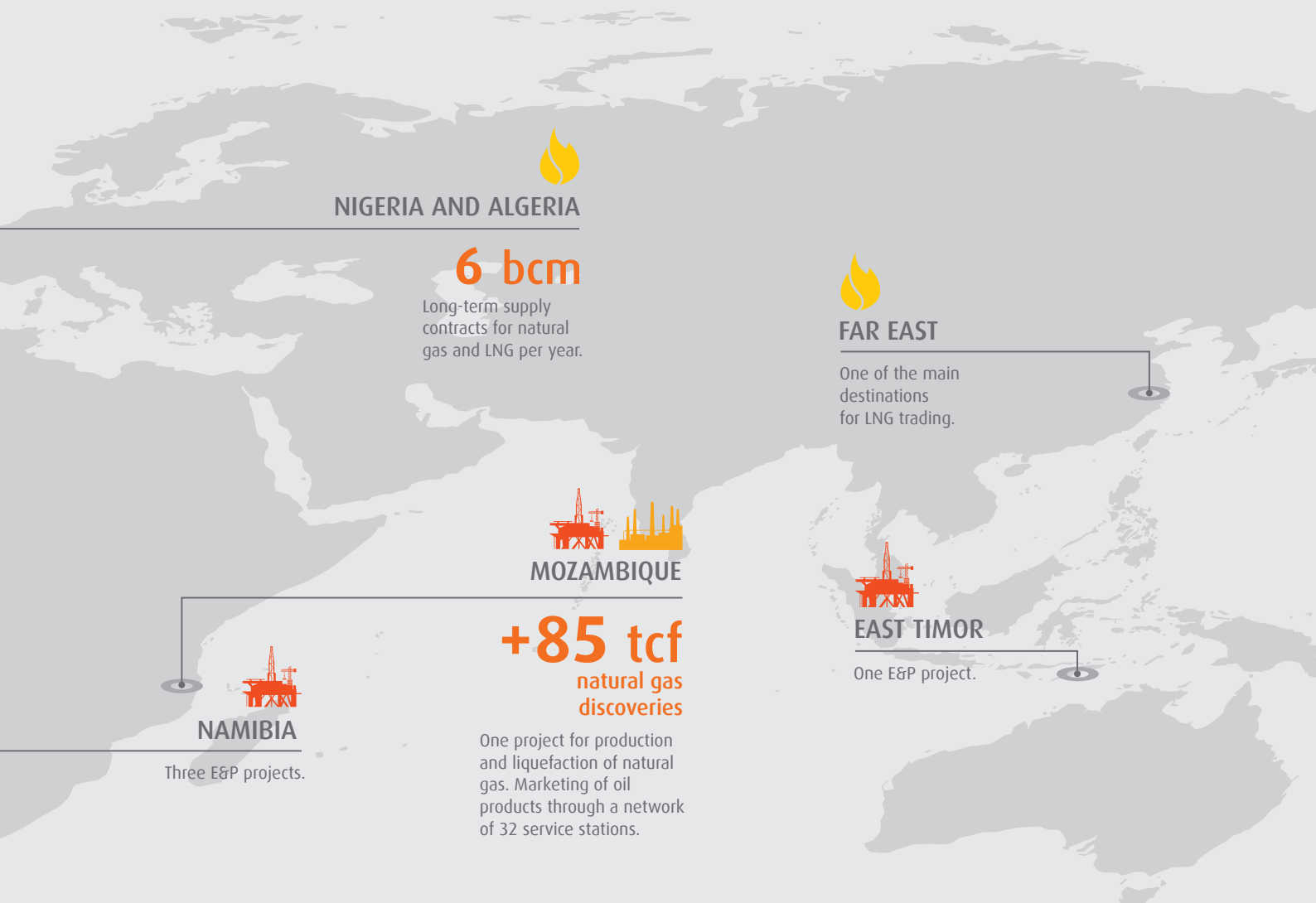


¹ Considers 2P reserves and 2C contingent resources as of the end of 2014.

Energy on the move

Galp Energia has been expanding its Exploration & Production portfolio, which currently includes around 50 projects. The Company is focused on the execution of its E&P development projects and is positioned to achieve unparalleled growth in the sector over the next decade.

This growth will be supported by the contribution of the Refining & Marketing and Gas & Power businesses, whose activities are centred in the Iberian Peninsula, where the Company is a leading player.



Exploration & Production



Refining & Marketing



Gas & Power

2.6 The external context: climate and energy, a relationship to be reconciled

“Energy poverty”, as the International Energy Agency calls it, continues to be an emerging problem, and solving it involves universally ensuring access to modern energy sources. At a time of population growth and deep changes to the human landscape, the demand for energy tends to increase and the IEA projections justify a responsible placement of the Oil & Gas (O&G) sector in the future energy supply matrix.

Trends, geographical distribution and energy demand matrix

“By 2040, the world’s energy supply will divide into four almost-equal parts: oil, gas, coal and low-carbon sources.”

IEA, World Energy Outlook 2014.

World energy demand is expected to increase 37% by 2040, but the pattern of development is expected to be less intensive in terms of energy than it has been in the past: the increase in demand of the last two decades will slow down from 2025 onwards, as a result of price and climate policy and the structural shift in the economy towards services and lighter industrial sectors.

The geographical distribution of energy demand will vary more drastically: the use of energy in Europe, Japan, South Korea and North America will not change, and the increase in consumption will be focused on the rest of Asia (60% of the total), Africa, the Middle East and Latin America. A unique turning point will be reached at the start of the 2030s, when China becomes the greatest oil consumer in the world, overtaking the United States, where consumption will hit the lowest levels for several decades.

In 2040, the world energy matrix will be split into four almost-equal parts: oil, gas, coal and low-carbon energy sources, and each one of these energy sources will face its own challenges. The demand for natural gas will see a faster rate of growth than other fossil fuels, growing by more than half. While climate change is already an unavoidable topic in the discussion about energy, concerns about the security of supply are also on the rise. The trading of liquefied natural gas, which is increasingly flexible, will offer some protection against the risk of disruptions to supply. Otherwise, concerns about the security of supply in the future are partly minimised thanks to the increasing number of international gas suppliers, liquefaction sites and interconnection between markets.

The regions that stimulate the increase in natural gas consumption will essentially be China and the Middle East, but gas will become, at the same time, the major fuel in the energy mix of regions in the Organisation for Economic Cooperation and Development (OECD). In this setting, gas from unconventional sources will contribute around 60%

to the increase in supply. It is still uncertain, however, if this gas can be produced at an attractive price to simultaneously maintain the incentive to make the intensive investment necessary for supply.

On the other hand, while regional oil demands are quite distinct, increased oil use for transport and petrochemicals will drive demand higher, from 90 million barrels per day (mb/d) in 2013 to 104 mb/d in 2040, although high prices and new policy measures will gradually constrain the pace of overall consumption growth. In the next 15 years, major investment in oil and gas will be needed to meet the demand foreseen. However, solutions will need to be found to the different challenges faced: the difficulty in expanding the American experience of tight oil outside North America; unresolved questions over the outlook for growth in Canadian oil sands output; the complexity and capital-intensity of developing Brazilian deep water fields; the sanctions that restrict Russian access to technologies and capital markets; and – above all – the political and security challenges in Iraq.

Coal, while abundant and its supply secure, sees its future use constrained by environmental and climate policies. Even so, it is foreseen that demand will rise 15% by 2040, and this increase will essentially take place in the next ten years, through China. In the OECD countries, demand for coal will fall.

Climate policies and unburnable carbon

While IEA projections indicate that the predominance of fossil fuels in world energy supply will remain in 2040, the European Union (EU) will intensify its energy-climate policies. It has produced a successor to the famous “20-20-20” package and will not lose sight of the aspirations of the *Roadmap for moving to a competitive low-carbon economy in 2050*.

In the energy-climate relationship, the EU argues for the conciliation of three major objectives: security of supply, competitiveness and sustainability. In this context, the O&G industry faces great challenges and opportunities: helping to meet the energy needs of the future – guaranteeing access to energy and making it democratic, as an essential asset for societies’ quality of life and competitive development – and working responsibly by minimising the environmental and social impact of its operations.

In the United Nations (UN), there are also signs of some progress: 2014 ended on a hopeful note in Lima, Peru, where the signatories of the United Nations Framework Convention on Climate Change met and the path to the Paris Conference, which will take place a year from now, was prepared. It is hoped that a universal, binding agreement can be found at the Paris Conference to create commitments among Greenhouse Gas (GHG) emitting countries.

Still on the subject of the energy-climate relationship, there is more and more talk about the concept of “unburnable carbon”, which means oil and gas reserves that, because of climate policies, will be prevented from being consumed by 2050. While this is a concept that, to some extent, cannot be reconciled with IEA prospects, it represents a risk that must be prepared for. In any event, the following aspects should be borne in mind:

- If certain reserves cannot be produced, those with smaller margins will be produced instead. Therefore, the economic risk is kept to a minimum.
- Impacts on cash-flow will only appear in the medium and long term – the agreement at the Paris Conference should not come into effect before 2020, which enables some predictability and allows for adjustments.
- With international targets, the oil supply will be forced to decrease but demand will persist because the fossil source remains of economic interest, so it is likely that the price will increase (and not only in relation to the average value in 2014). In other words, in spite of the potential fall in production, the negative economic impact is minimised by increasing the margins.

The external context is relatively uncertain, dictated by the transformation of social needs, by technological progress and innovation, by environmental and climate challenges, and marked by political trends and leaderships that are at times polarised, but it is a fascinating and exciting time nonetheless.

In this setting, Galp Energia continues on its course towards long-term success to ensure the longevity of our Company and our legacy in society and to become a benchmark among our peers!

Oil prices

In 2014, the change in oil prices fell into two distinct stages: a period of stability during the first half of the year, with dated Brent reaching an average of \$109/bbl, to four-year lows in the second half, ending the year at around \$60/bbl.

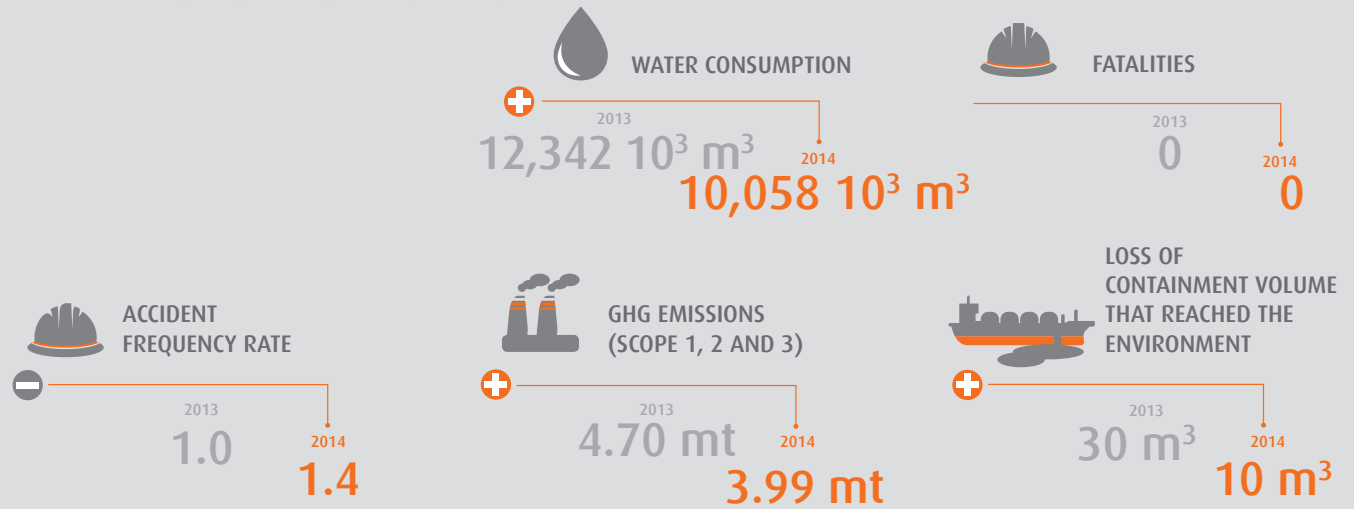
This fall in the price of crude is the result of increases in production, accentuated by the fact that the Organisation of the Petroleum Exporting Countries (OPEC) is not open to a possible cut in its production, in light of the increase in production in the United States of America (USA) and lower demand than expected in Europe and Asia.

In 2015, the change in Brent prices will depend on increases in supply, which will rely on the response of OPEC countries and non-OPEC countries, namely a possible cut in the USA’s production, to cope with low oil prices. Additionally, changes in demand, which may benefit from a low-price environment, will be decisive in reducing excess capacity and in enabling a recovery of oil prices.

Find out more about crude and natural gas prices in the Galp Energia Annual Report and Accounts 2014.



2.7 An overview of 2014



Relevant Galp Energia facts in 2014

Galp Energia began operating the first well as an offshore operator in Morocco with 0 lost workday injuries



Launch of Master's in Petroleum Engineering run by ISPG and Heriot-Watt University



Launch of the Supply4Galp platform



Employees refurbish seven dilapidated institutions in Lisbon during the Staff Gathering



New stakeholders' consultation



First direct sale of crude from the Lula field



General shut-down of the Sines refinery, the most complex ever, goes through with no lost workday injuries

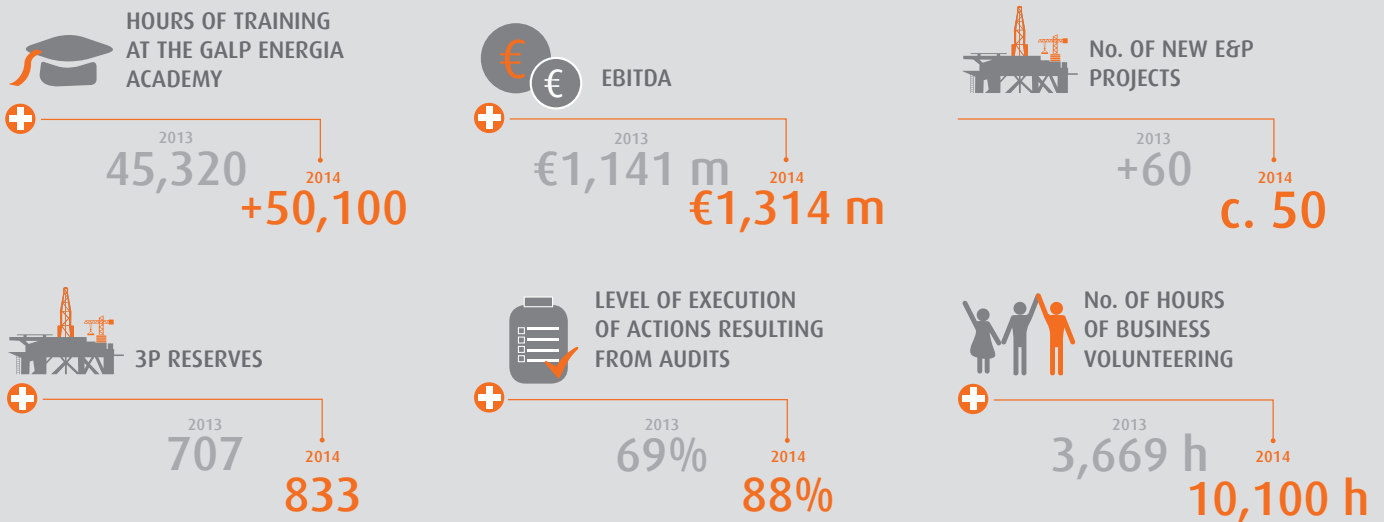


Galp Energia awarded two more management system certifications



Non-financial performance reporting platform developed: GRID





External indices and recognition

- MEMBER OF **Dow Jones Sustainability Indices**
 In Collaboration with RobecoSAM
- FTSE4Good**
- CDP CLIMATE DISCLOSURE LEADER 2014**
- Inclusion in FTSE4Good sustainability index.
- Best energy sector company in the Iberian Peninsula in the CDP - Climate Disclosure Leadership Index, with 100 points.
- Galp Energia remains a member of DJSI, part of the Europe and World groups of the sector's most sustainable companies.
- Galp Energia stays in the top 100 more sustainable companies in the world according to the Corporate Knights' Global 100, being placed in the 30th position this year, the 2nd amongst the 8 companies from its sector, and having climbed 26 positions.
- Galp Energia in the top 100 best companies to work for in Spain.
- Innovation prize in Geographic Information Systems awarded by ERSI.
- Sustainable campus project awarded the 'International Energy Project of the Year' prize by the Association of Energy Engineers.

Best in Energy Sector prize awarded by Investor Relations Magazine.

Galp Energia awarded 'Best Overall Investor Relations Strategy' prize by Investor Relations & Governance Awards run by Deloitte.

Galp Energia communication distinguished by APCE in the 'Sustainability Report' and 'Historical Responsibility and Business Memory' categories.

Galp Energia Academy won the Best Strategy in Training and in Personal and Professional Development prize.

Galp Energia is now positioned in the 3rd place of the listed companies' reputation ranking in Portugal, leading the energy sector, according to the reputation Pulse Report 2014, from the Reputation Institute.

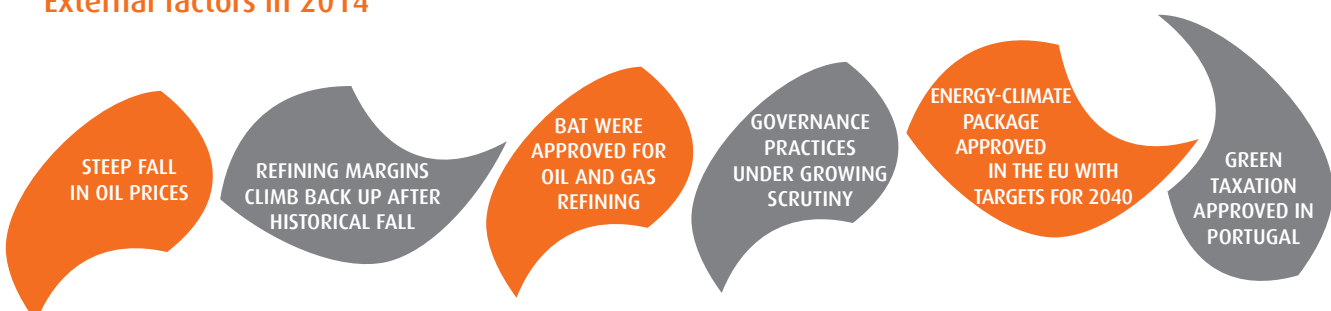
Galp Energia's website (www.galpennergia.com) ranked, for the 3rd year in a row, in the 1st place in Portugal according to the 2014-1015 Web ranking assessment.

Client satisfaction - ECSI prize: Best company among those that operate in the liberalised electricity market - dual segment and electricity-only customers and on the regulated market - Dianagás and Medigás distributors.

Find out more about these indices in their websites.

If you are reading the PDF version of this report, click in each of the symbols

External factors in 2014





03

What are the material challenges?

At Galp Energia, we carry out a range of activities that encourage, consolidate and renew the identification and prioritisation of sustainability matters to which our efforts should constantly and substantively conform. These activities, in line with the 5-Part Materiality Test proposed by AccountAbility, by the United Nations Environment Programme and Stakeholder Research Associates, are split into four major categories, shown as follows:

Understanding trends and emerging matters

- We take part in working groups at a global level.
- We monitor sustainability news, newsletters and publications.
- We take part in conferences.
- We take part in training on sustainability topics.
- We share information on sustainability internally.

Company values, policies and commitments

- We respect and reflect the Company's identity, culture and values in our actions in terms of sustainability, as well as commitments undertaken and the relevant established policies that express them.

Performance and benchmarking analysis

- We carry out benchmark analyses and identify the best sustainability practices of our peers and other companies of reference.
- We reflect on the recommendations of consultants, sector specialists, reference bodies, financial and sustainability analysts and insurers, among others.
- Every three months, we monitor the Company's performance using balanced scorecards and performance reports, which are submitted to the Board of Directors.

Stakeholder and organisation consultation

- We involve stakeholders and the Company itself, vertically, in identifying and evaluating relevant matters through a formal stakeholder consultation process.

Understanding trends and emerging matters



Company values, policies and commitments



Performance and benchmarking analysis

Healthy Global		2014		2013		2012	
<p>Healthy Global is the global leader in sustainable energy performance, according to a study by the FTSE Group which ranks the top 100 energy companies in 2014. This was a result of our progress in several key areas:</p> <p>At Galp, we focus on providing a safe, reliable, and sustainable energy supply. This is achieved through our commitment to safety, quality, and environmental protection. This is reflected in our performance across several key areas:</p>							
SAFETY RECORD							
Lost Time Incidents (LTI)	2014	2013	2012	2014	2013	2012	2014
Lost Time Frequency Rate (LTFR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lost Time Incidents (LTI)	0	0	0	0	0	0	0
Lost Time Frequency Rate (LTFR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lost Time Incidents (LTI)	0	0	0	0	0	0	0
Lost Time Frequency Rate (LTFR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lost Time Incidents (LTI)	0	0	0	0	0	0	0
Lost Time Frequency Rate (LTFR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

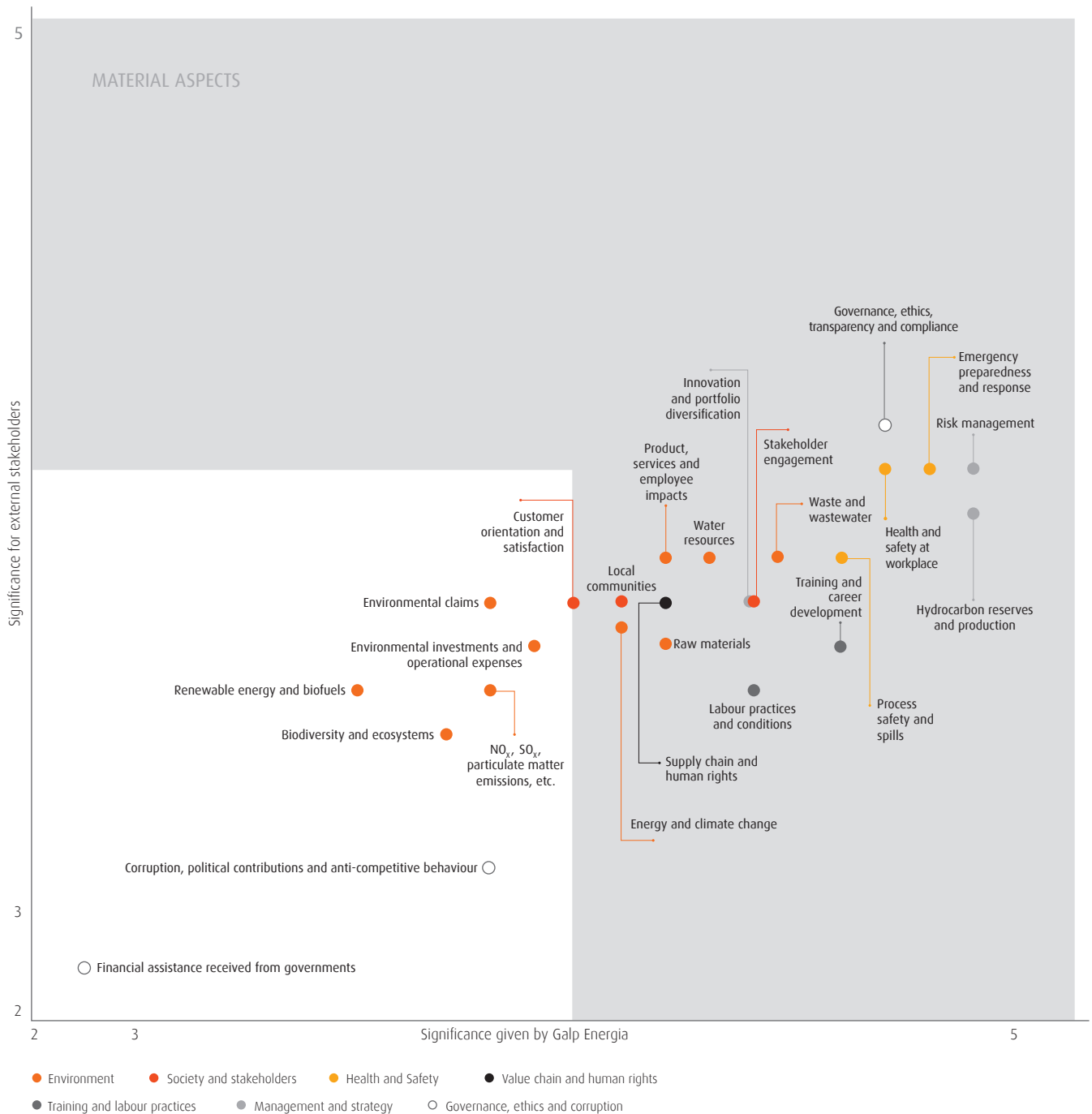
Stakeholder consultation



Find out more about the 2014 consultation process in chapter 4.2.1 Dialogue with stakeholders.

The materiality analysis emerges as a result of all these processes, based on a framework that includes several aspects, and taking into account the perspective of the Company and its stakeholders.

RELATIONSHIP GALP ENERGIA - ORGANISATIONS



When analysing these aspects, the topics were assessed according to a scale of importance, which shows:

- How the topic reflects the significant economic, social and/or environmental impacts (whether positive or negative) of Galp Energia;
- How the topic may significantly influence the way in which the stakeholders evaluate Galp Energia and/or their decisions relating to the Company;

- If the topic has potential to add or remove value to/from the Company or society/the community of which it is a part, particularly its most relevant stakeholders.

This framework, which differentiates aspects according to their materiality, guides Galp Energia's action priorities and naturally, as a result, its sustainability reporting.

A hand in a dark suit jacket points upwards with the index finger. Overlaid on the background is a network diagram consisting of orange dashed lines connecting several circular nodes. One node is highlighted with a larger, glowing orange circle. The background is a gradient from light beige at the top to dark grey at the bottom.

04 How do we tackle them?

- 4.1 Acting responsibly and ethically, ensuring the best governance practices and transparency
- 4.2 Engaging with the community and other stakeholders and encouraging the creation of shared value
- 4.3 Valuing human capital
- 4.4 Helping to satisfy future energy needs and minimising the intensity of the carbon footprint
- 4.5 Ensuring the protection of the environment, people and assets
- 4.6 Promoting innovation, research and technological development

Establishing internal commitments

We tackle sustainability – and the material matters related to it – responsibly and with conviction. Responsibility to our shareholders, other stakeholders and the environment. Conviction that these actions ensure long-term value creation because they recognise the symbiotic nature of the relationship between the Company and the physical and human environment in which we work.

To guide our way and to tackle material matters, we have established a range of commitments, approved by the Management and understood throughout the Company.

The commitments that we undertake internally are above all commitments to ourselves, responding to what we understand as material within the context of our Company. The fact that we decide to share them with others reflects our open attitude towards our stakeholders.



COMMITMENT I

Acting responsibly and ethically, ensuring the best governance practices and transparency

Context

We recognise that the decisions we make should be guided by a progressively integrated contemplation of the different risks and should consider the rights and expectations of those who are affected by our operations. Governance practices should continually improve in order to optimise Company management and create value, emphasising long-term features. Transparency is a foundation in building relationships of trust in society and is increasingly demanded by stakeholders.

What we have already done

- We have undertaken external commitments: Companies for Equality Forum; EITI.
- We have implemented corporate codes and policies: risk management; reporting of irregularities; anti-corruption; human rights; remuneration; distribution of dividends; communication to the market; code of ethics.
- We have an internal audit programme for topics, such as internal control, compliance, governance, among others.
- We have a tax policy, from the perspective of integrating the Group's strategy and safeguarding risks and transparency.
- We have created an organisational model that aims for transparency and effectiveness in the execution of strategy and value creation.
- We have created a compliance department and have strengthened the mechanisms and procedures for analysing counterparties as part of KYC (know your counterparty) and KYT (know your transaction).
- We have reviewed the internal audit plan as regards specific requirements on human rights, labour rights and corporate responsibility.

What we are going to do (2015-2020)

- We will continue the process of reviewing the code of ethics for the Galp Energia Group (2015).
- We will make training available to employees on the topics of sustainability, code of ethics, anti-corruption and safeguarding human rights via an e-learning tool (2015-2016).
- We will raise awareness among employees on the Group's compliance role, arranging training programmes on different topics, such as anti-corruption and internal compliance standards, as a way of encouraging rules to be followed (2015).
- We will continue with the programme of performing audits to comply with the code of ethics and the fight against corruption.
- We will establish a general compliance programme for the Group and schedule its implementation (2015).
- We will strengthen participation in national and international organisations directed towards the topics of compliance, ethics and corruption.



COMMITMENT II

Engaging with the community and other stakeholders and encouraging the creation of shared value

Context

Creating shared value is a condition for maintaining the relationships on which we depend to guarantee our future. Our involvement efforts should therefore focus on creating shared value. Involving the community is more and more important in the context of our Organisation.

What we have already done

- We have developed corporate policies and strategies: a policy of investment in the community; a corporate social responsibility strategy; a purchasing policy; and a quality policy.
- We have reviewed our purchasing policy, reinforcing environmental and social concerns.
- We have strengthened the process for auditing critical suppliers, ensuring compliance with our sustainability requirements (for example, HSE, ethics and human rights).
- We use strong management tools to gauge the impact of our Company on society: London Benchmarking Group (LBG) methodology.
- We have a Company volunteering programme: Galp Voluntária.
- We have developed formal, regular processes for consulting our stakeholders.
- We use specific interaction tools and channels for different stakeholders: clients (Estrela programme, ECSI, Index of Brand Awareness); suppliers (Audits, Supply4Galp); investors (Capital Markets Day).
- We have implemented stakeholder engagement and community support programmes: Missão UP; Solidary Galp Energia; Alliance for Road Safety and Prevention.
- We founded the Galp Energia Foundation.
- We have developed offers with special conditions, including the GalpOn service and Energia³.
- We have implemented the Q2C system, which aims to ensure the quality of our products.
- We have developed an E&P training programme for Mozambican technicians.

What we are going to do (2015-2020)

- We will implement the Galp Energia brand repositioning project, strengthening the theme of sustainability, and involving a consultation with investors (2015).
- We will start implementing the "client ombudsman" activity (2015).
- We will evaluate the impact on the community of investments made, and establish KPIs (2015).
- We will continue the programme for raising awareness and spreading the message about safety in the community – the Alliance for Road Safety and Prevention project.
- We will continue the volunteer projects run by Galp Voluntária.
- In Missão UP, we will keep the same level of involvement in the school community.
- We will develop a social responsibility programme in the context of the Millennium Goals.
- We will continue to implement the requirements of standard NP 4469, in the context of implementing the management system for corporate responsibility.
- We will perform an assessment of the implications of the Ruggie Framework on the geographical areas with the greatest sensitivity/risk in this field (2015-2020).
- We will establish a corporate stakeholder engagement plan (2015).



COMMITMENT III

Valuing human capital

Context
Our Company's success depends on our people. In an increasingly competitive world, we have to position ourselves as an attractive employer, offering conditions to attract, develop and retain our people's talent and build the capacity that will allow the Company to explore its growth potential.
What we have already done
<ul style="list-style-type: none"> We have developed corporate policies: human resources; training; remuneration. We have undertaken external commitments: Companies for Equality Forum. We have created talent recruitment and management programmes: Generation Galp; Mapping High Potential; Leaders for the Future; Developing Leaders@Galp; Maturing Leaders@Galp; mobility programmes. We have created Academia Galp training programmes, with courses directed towards strengthening critical skills. We use sound tools for managing our human capital: performance assessment; 360° assessment; ROI; Organisational climate survey; programme for welcoming new employees; functional mobility programmes. We have promoted new corporate values throughout the Company. We have strengthened awareness of travel-related risks, particularly by promoting the Travel Manual.
What we are going to do (2015-2020)
<ul style="list-style-type: none"> We will continue to implement HR policies at the various affiliates in Africa and operations in Brazil. We will develop new training initiatives for employees in Africa. We will continue the internal training initiatives to raise awareness on topics related to sustainability. We will strengthen regulation regarding working practices, in line with benchmark good practices. Following joining the Equality forum: We will draw up a guide to using inclusive language; we will provide training on gender equality and work/life balance; we will include the topic in the Conhecer+ programme and the Academy (2015-2016). We will identify High Potential Young People, together with whom we shall define their Personal Development Plans (Mapping High Potential Programme) (2015). We will review and update the performance assessment system (2015-2016). We will continue hiring local employees: We will safeguard the guiding principle of preferably hiring locally in the countries where Galp Energia develops its operations (> 90%) (2015-2020). We will develop health awareness-raising campaigns with our employees (Malaria, Tuberculosis, HIV and, more recently, Ebola).



COMMITMENT IV

Helping to satisfy future energy needs and minimise the intensity of the carbon footprint

Context
We should continue to interpret the context of our sector by satisfying future energy needs, delivering energy in a way that is socially fair and responsible, but also recognising the imperative to reduce the carbon intensity of our operations and products.
What we have already done
<ul style="list-style-type: none"> We have implemented corporate policies: climate change; refineries energy. We have implemented energy efficiency projects for our Company and our clients: Refinery Conversion project; TOP REF project (Sines); energy efficiency at service stations (Ecoposto); Galp Energy Solutions projects. We have developed sustainable mobility solutions: CNG project; implementation of electric charging stations; Living Lab Galp-Toyota project; incentives to use LPG vehicles; Galpshare; training and awareness-raising for clients, employees and business partners. We produce energy with low carbon intensity and have diversified our portfolio: natural gas co-generation; Ventinveste (wind farms); Parkalgar (photovoltaic energy); production of raw materials for biofuels (Belém, Brazil); Enerfuel (plant for the production of second generation biofuels). We have established targets for the CO₂/CWT sector benchmarking indicator for each refinery (EU Benchmarking – 2007/2008). Target for the Sines refinery: 40 kg CO₂/CWT; target for the Matosinhos refinery: 32.5 kg CO₂/CWT. We have exceeded goals; the Matosinhos refinery achieved a better performance than the sectorial TOP TEN (29.5 kg CO₂/CWT) in 2014, with 28.2 kg CO₂/CWT. We have obtained energy certification according to the ISO 50001:2011 standard for Sines and Matosinhos refineries. We have assessed and described the risks and defined plans for adapting to climate change in order to ensure the safety of our facilities and a secure supply. We have implemented and monitored energy KPIs. We have obtained the International Sustainability Carbon Certification (ISCC), in accordance with the Renewable Energy Directive (RED) for our storage sites in Gijón and Valencia.
What we are going to do (2015-2020)
<ul style="list-style-type: none"> We will continue to implement the climate change strategy of Galp Energia (see chapter 4.5), and we highlight the following objectives: We have established as a performance assessment KPI the achievement of the objectives of our climate change strategy (2015). We have established as an objective for refining to reach the 1st quartile of the Energy Intensity Index (EII) (2015/2016) and reach a carbon intensity performance in line with the sectorial TOP TEN (29.5 kg CO₂/CWT, reference 2008) (2017). We have undertaken a commitment to reduce the flaring of new E&P projects to zero, under normal operating conditions.



COMMITMENT V

Ensuring the protection of the environment, people and assets

Context
We have to continue to improve our health, safety and environmental performance by reducing the negative impact and maximising the positive impact of our operations. We have to do it for our people, for our assets and for our stakeholders, who allow us to operate and whose trust we need.
What we have already done
<ul style="list-style-type: none"> We have developed corporate policies: health, safety and environment; vehicle safety; prevention of serious accidents; quality. We have an HSE management system (G+ system), which establishes the minimum requirements to be met during operations for which we are responsible. We have improved the processes for integrating environment, quality and safety performance in the performance assessment of employees and senior management. We have undertaken a target of zero accidents with significant impact on people, the environment and assets. We have reduced emissions from our refineries: 85% of NO_x emissions, 75% of SO_x emissions, 84% of particle emissions (compared to 2008). We encourage the implementation of the best available technology to minimise the impact of our activity on the environment. We have identified and integrated the best practices for E&P operations - 1st Galp Energia offshore operations with zero accidents and zero losses of containment > 150 litres. We have established eco-efficiency targets and objectives, in accordance with the materiality and nature of the activity. We carry out an EQS, energy and G+ system annual internal audit programme. We invest in renewing and obtaining new certifications: environment (ISO 14001), quality (ISO 9001), safety (OHSAS 18001), energy (ISO 50001) and laboratory (ISO/IEC 17025) certifications. We have implemented programmes to promote the health and safety of our people (Active Life Positive Life project; PENZA Campaign). We have mapped water risks (current and future) and biodiversity protection and conservation areas surrounding our facilities (GWT and IBAT). We have established good practice guides for managing biodiversity, focusing on E&P operations.
What we are going to do (2015-2020)
<ul style="list-style-type: none"> We will review the G+ system, incorporating a social side, which is still not covered by the benchmark, as a result of direct impact by the operation (2015-2016). We will ensure the implementation of the G+ system in all our operations. We will ensure the implementation of best practices, keeping our benchmarks for E&P and downstream operations up-to-date. We have committed to zero accidents* as a goal, covering personal, material and environmental accidents. In 2020, we will be a benchmark in the sector as regards our accident rate (lost workday injuries). We will strengthen the trend towards reduced resource consumption and atmospheric emissions by type of operation and we will increase the proportion of recovered waste. We will reduce losses of containment, maintaining a rate of zero accidents causing environmental damage. We will continue to ensure that eco-efficiency targets and objectives are set, in accordance with the materiality and nature of the operation. We will improve the level of implementation of actions arising from audits and exceed the amount for 2014 (88%) (2015). We will establish a health strategy for Galp Energia that lays down the corporate requirements for managing health (2015). We will perform awareness-raising and training campaigns for malaria, HIV, ebola, tuberculosis and dengue. <p>* (With significant impact - classes 3 and 4)</p>



COMMITMENT VI

Promoting innovation, research and technological development

Context
The competitiveness of our sector, particularly in the context of our Company's expansion, is more and more technologically demanding, so a focus on innovation, research and development is increasingly important to produce energy in a safe, viable and competitive way.
What we have already done
<ul style="list-style-type: none"> We have created innovative projects for Galp Energia, for our clients and with our other business partners: refining (Ginseng project); E&P (seismic imaging); clients (SMART Galp); other business partners (COMET programme). We have established R&D partnerships with the technological and scientific community: creating the Institute of Oil and Gas (ISPG); Doctorate and Master's in Oil Engineering (ISPG & UHW); Galp 20-20-20; Fuels R&D Unit (partnership with the University of Coimbra); EngIQ business doctorate programme; Galp Innovation network.
What we are going to do (2015-2020)
<ul style="list-style-type: none"> We will promote R&D projects along the defined strategy lines: energy efficiency, sustainable mobility and renewable energies, aligned with a business strategy that creates value for shareholders and contributes to society's well-being (2015-2020). We will implement the strategic R&D plan for E&P operations in Brazil. We will complement the research to be carried out in Brazil with national and European projects, involving other Portuguese bodies, specifically universities, and thereby carry out integrated projects that boost the relationship between Galp Energia and the scientific and academic community, including the participation of the Institute of Oil and Gas (ISPG). We will disseminate innovation within the Group and surrounding areas to create a multiplication of opportunity identification and idea generation. We will develop new processes, products, technology, services and business models, providing a differentiated, relevant and innovative offer to Galp Energia's clients.

Undertaking external commitments

Additionally, to show our level of commitment and to create trust amongst our stakeholders by using more universal measures and terms, we have undertaken some external principles and commitments.

Main initiatives and commitments:



Extractive Industries Transparency Initiative (EITI)

Joined in 2010.

We have committed to ensuring the transparency of revenues generated from the extraction and production of oil and gas through membership and support of EITI principles.

Find out more in chapter **4.1.4 Anti-corruption and transparency**



Companies and HIV Code of Conduct

Joined in 2012.

Framed within the principles adopted by the UN and the International Labour Organisation Code of Conduct, it enshrines non-discrimination of people with HIV, equal access to prevention and treatment of HIV, awareness-raising among employees with information relating to the infection and recognition that taking tests to detect infection is an important public health measure, which cannot affect employees' admission or progress in their career.



United Nations Global Compact

Joined in 2013.

We have undertaken to respect the 10 universal principles on human rights, employment practices, environmental protection and anti-corruption by establishing policies, setting objectives and targets, and implementing and monitoring measures.

Find out more in **5.3. Appendix III - Global Compact table**



Companies for Equality Forum

Joined in 2014.

The Companies for Equality Forum is organised by the Commission for Equality in Labour and Employment (Comissão para a Igualdade no Trabalho e no Emprego - CITE), and is committed to carrying out actions to promote gender equality.

Find out more in chapter **4.3.1 Our human capital**

Maintaining an active knowledge network

To tackle material matters, it is also fundamental to understand their dynamic character and the contexts in which they arise. For this purpose, we maintain an active network for knowledge, cooperation, sharing, understanding

and development, benefiting from scale by centralising common processes that would otherwise be reproduced by each of the different members' structures.

RELATIONSHIP GALP ENERGIA – ORGANISATIONS



ASSOCIATIONS

- APETRO** Associação Portuguesa de Empresas Petrolíferas – <http://www.apetro.pt/>
- CEDIGAZ** CEDIGAZ, the International Association for Natural Gas – <http://www.cedigaz.org/>
- AIA** Associação Industrial de Angola <http://www.aiangola.com/>
- ABPIP** Associação Brasileira dos Produtores Independentes de Petróleo e Gás <http://www.abpip.org.br/>
- COTEC** Associação Empresarial para a Inovação <http://www.cotecportugal.pt/>
- AIP** Associação Industrial Portuguesa <http://www.aip.pt/>
- FuelsEurope** European Petroleum Refiners Association – <http://www.fuelseurope.eu>
- INTERTANKO** International Association of Independent Tanker Owners <http://www.intertanko.com/>
- NGVA** Europe Natural & Bio Gas Vehicle Association – <http://www.ngvaeurope.eu/>
- AOP** Asociación Española de Operadores de Productos Petrolíferos – <http://www.aop.es/>
- AEM** Associação das Entidades Emitentes de Valores Cotados em Mercado <http://www.emitentes.pt/index.php>
- IATA** International Air Transport Association <http://www.iata.org/Pages/default.aspx>
- EPCA** The European Petrochemical Association <http://epca.eu/>
- IBIA** International Bunker Industry Association <http://ibia.net/>
- AEP** Associação Empresarial de Portugal <http://www.aeportugal.pt/>
- IOGP** The International Association of Oil & Gas Producers – <http://www.iogp.org/>
- AVHI** Asociación Venezolana de los Hidrocarburos – <http://www.avhi.org/>
- APG** Associação Portuguesa de Gestão das Pessoas – <http://www.apg.pt/>

CHAMBERS OF COMMERCE AND INDUSTRY

- CCMP** Câmara de Comércio e Indústria Moçambique Portugal <http://www.ccmp.org.mz/>
- CCIASB** Câmara de Comércio, Indústria, Agricultura e Serviços de Barlavento (Cabo Verde) – <http://ois.sebrae.com.br/comunidades/cciasb-camara-de-comercio-industria-e-servico-de-barlavento-cabo-verde/>
- FSECC** Federation of Swaziland Employers and Chamber of Commerce <http://www.business-swaziland.com/>
- CPCB** Câmara Portuguesa de Comércio no Brasil <http://www.camaraportuguesa.com.br/>
- CHP** Câmara de Comercio Hispano Portuguesa <http://www.chp.es/>
- CCILE** Câmara de Comércio e Indústria Luso Espanhola – <http://www.portugalespanha.org/>
- CCAP** Câmara de Comércio Americana em Portugal – <http://www.amchamportugal.org/>
- CCILB** Câmara de Comércio e Indústria Luso-Brasileira – <http://www.ccilb.net/>
- CCIAP** Câmara de Comércio e Indústria Árabe-Portuguesa http://www.cciap.pt/?page_id=9
- ICC/CCI** International Chamber of Commerce <http://www.iccwbo.org/>

COUNCILS

- GCC** The Gambia Consultative Council <http://gccfreegambia.com/>
- BCSD** Business Council for Sustainable Development Portugal <http://www.bcsdportugal.org/>
- CEPIC** The European Chemical Industry Council <http://www.cepic.org/>
- WPC** World Petroleum Council <http://www.world-petroleum.org/>

FEDERATIONS AND CONFEDERATIONS

- EFET** European Federation of Energy Traders <http://www.efet.org/>
- CIP** Confederação Empresarial de Portugal <http://cip.org.pt/>

INSTITUTES

- ITG** Instituto Tecnológico do Gás <http://www.itg.pt/itg/>
- IBP** Instituto Brasileiro de Petróleo, Gás e Biocombustível – <http://www.ibp.org.br/>
- IPCG** Instituto Português de Corporate Governance – <http://www.cgov.pt/>
- ISPG** Instituto do Petróleo e Gás <http://ispg.org/>

OTHER ORGANISATIONS

- IGU** International Gas Union – <http://www.igu.org/>
- ENERGYIN** EnergyIN Pólo de Competitividade e Tecnologia da Energia <http://www.energyin.com.pt/>
- EITI** Extractive Industries Transparency Initiative <http://eiti.org/>
- CDP** Carbon Disclosure Project <https://www.cdp.net>
- IMO-IOPCF** International Oil Pollution Compensation Fund - <http://www.iopcfunds.org/>
- OCIMF** Oil Companies International Marine Forum – <http://www.ocimf.org/>
- PGONU (UNGC)** United Nations Global Compact <https://www.unglobalcompact.org/>
- Corp.Citiz(LBG)** Corporate Citizenship – London Benchmarking Group <http://www.lbg-online.net/about-lbg.aspx>
- FAE** Fórum de Administradores de Empresas <http://www.faeonline.pt/>



Continuously monitoring our performance

We undertake performance monitoring as a key instrument in managing and implementing our objectives and targets.

The performance evolution and the main key performance indicators (KPIs) are monitored by the different levels of the Organisation, in the Sustainability Committee and HSE Committees, and are sent to the top-level management every three months. Sustainability topics affect employees' performance evaluation. Find out more in **chapter 4.3.5 Performance management**.

Our performance indicators for internal and external reporting are assured by a third party every year in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). The assurance includes an assessment of the overall reliability of information on the following aspects:

- Organisation and Responsibilities
- Standardisation and Measuring
- Recording
- Reviewing and Monitoring
- Consolidation
- Reporting
- Internal Auditing



MANAGEMENT AND REPORTING OF PERFORMANCE INDICATORS



In 2014, a new platform for non-financial performance reporting was developed to support the recording process and the calculation of indicators relating to the environment, quality, safety and other relevant sustainability matters.

There were five principles underlying the platform development:

-  Promoting a transparent reporting culture
-  Standardising principles and metrics for performance assessment
-  Ensuring traceability and assurance on the indicators management
-  Ensuring the integrity and security of information
-  Building a flexible and scalable solution

The solution implemented explores and reuses existing application platforms at Galp Energia, allowing indicators to be characterised and structured. Furthermore, it automatically consolidates information from different sources, helping to optimise resources in a constant search for improvements in the quality of processes.

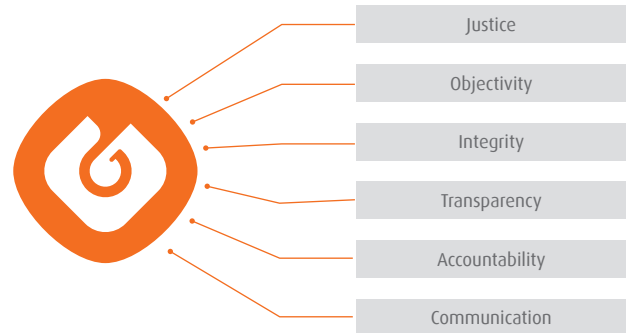


4.1 Acting responsibly and ethically, ensuring the best governance practices and transparency

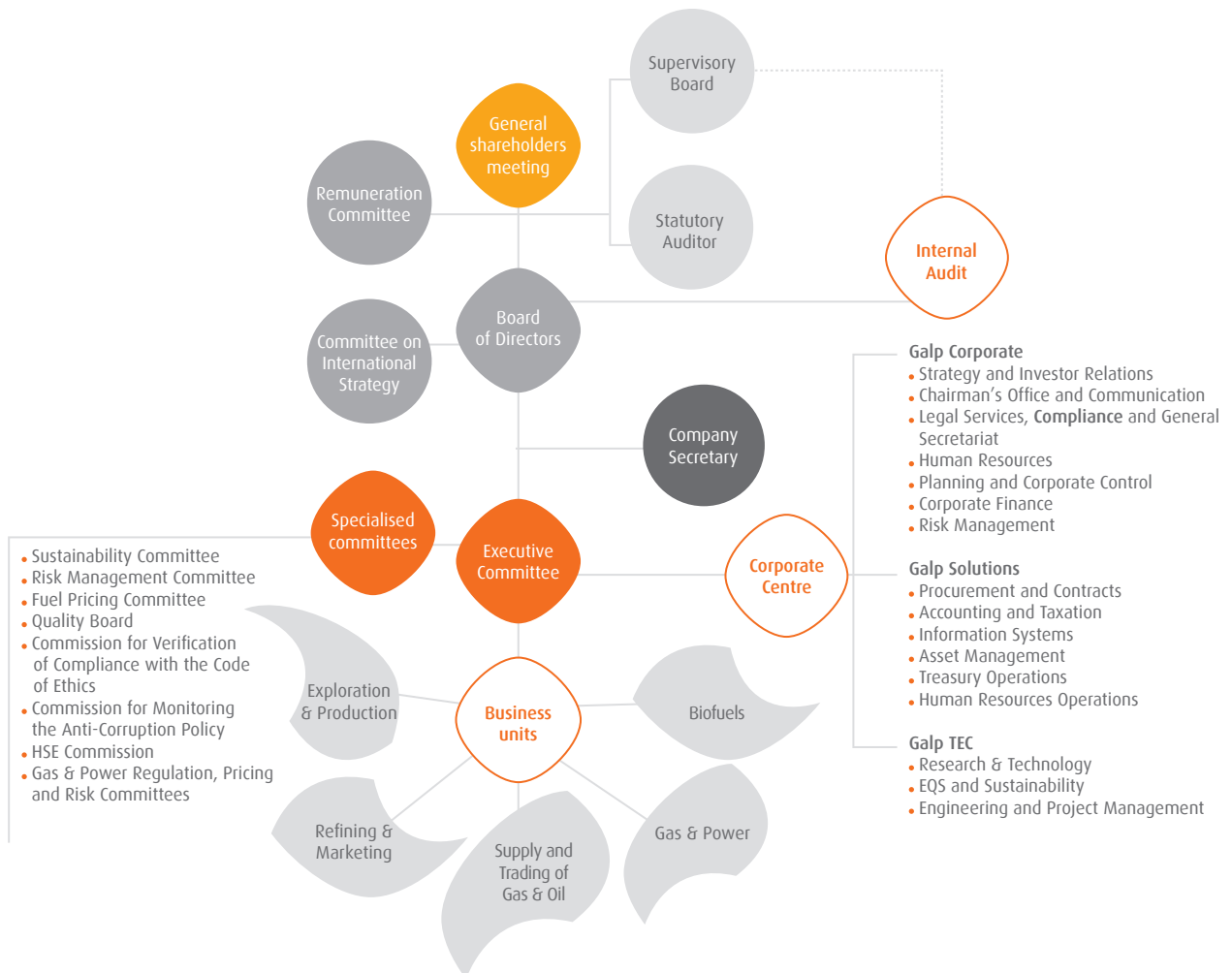
4.1.1 Corporate governance model

Our corporate governance model, which corresponds to the Latin model, is governed by a set of action principles as regards the relationship between Galp Energia and its stakeholders. These principles aim for transparency and effectiveness in the execution of corporate strategy and value creation. There is a clear separation of the powers of governing bodies, particularly those of the Board of Directors in respect of strategy and control from those of the Executive Committee in respect of the everyday management of the business units and corporate centre, powers delegated to it by the Board of Directors. Supervision is the responsibility of the Supervisory Board and a Firm of Statutory Auditors.

ACTION PRINCIPLES OF THE GALP ENERGIA CORPORATE GOVERNANCE MODEL






MAIN GOVERNING BODIES, COMMITTEES AND DUTIES




MAIN DUTIES AND CHARACTERISTICS

SELECTION AND APPOINTMENT

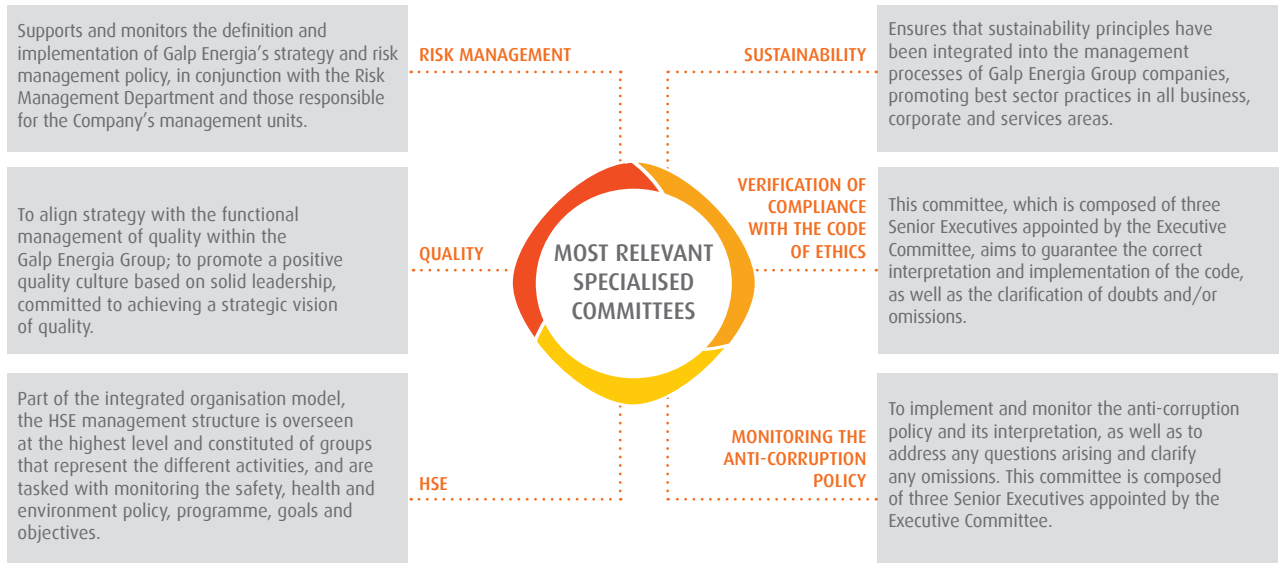
MEETINGS AND ATTENDANCE

<p>General Shareholders Meeting (GSM) Each share represents one vote, and postal voting is guaranteed in the Galp Energia articles of association, broadly and without restrictions. The GSM may make decisions by a simple majority, not counting abstentions, except in cases where the law or the articles of association demand a qualified majority.</p>	N.a.	<p>1 MEETING</p> <p>≈71% ATTENDANCE</p>
<p>Board of Directors (BD) The BD constantly monitors and evaluates the management of the Company, with a view to ensuring the effective ability to follow up, monitor and evaluate the actions of the executive members.</p> <p> PROPORTION OF EXECUTIVES TO NON-EXECUTIVES 20 Board Directors, of whom 13 are non-executives, including the Chairman of the Board of Directors</p> <p> GENDER BALANCE 2 members of the Board of Directors are women</p> <p> INDEPENDENCE Out of the 13 non-Executive Directors, 6 are considered to be independent</p>	<p>The members of the BD, appointed for terms of four calendar years, are elected by the GSM or appointed by the BD, subject to ratification by the GSM.</p> <p>The election of members of the BD is carried out using lists, indicating the shareholders who proposed them, and votes are cast solely from these lists, in accordance with the law and Galp Energia's articles of association.</p> <p>Some accumulate functions as Executive Directors in companies within the Group and as non-Executive Directors in companies outside the Group, which does not affect their availability to perform their duties at Galp Energia.</p>	<p>12 MEETINGS</p> <p>≈94% ATTENDANCE</p>
<p>Executive Committee (EC) The EC monitors and coordinates the operations of the business units and departments that are part of the corporate centre.</p>	<p>Appointed by the BD.</p> <p>The duties are allotted among the Galp Energia's Executive Directors in accordance with the allocation of duties approved by the BD.</p>	<p>42 MEETINGS</p> <p>≈95% ATTENDANCE</p>
<p>Supervisory Board The Supervisory Board supervises the Company's Board of Directors. It monitors the working of the corporate governance system adopted and compliance with and developments in legal and statutory rules.</p> <p>It supervises the effectiveness of the risk management, internal control and internal audit system.</p> <p>It not only issues opinions on the conduct of business between the Company and related parties, but also receives reports of irregularities presented by shareholders, employees, clients, suppliers or other stakeholders.</p>	<p>Appointed by the BD.</p> <p>The members of the Supervisory Board meet independence criteria and have professional skills and qualifications that are appropriate for exercising their duties.</p>	<p>11 MEETINGS</p> <p>100% ATTENDANCE</p>
<p>Remuneration Committee The Remuneration Committee evaluates the performance of the Executive Directors and non-Executive Directors and proposes the remuneration policy for the Company. This policy is reviewed and approved annually at the GSM.</p>	<p>Appointed by the GSM.</p> <p>The members of the Remuneration Committee, who have competences in matters regarding remuneration policy based on their professional activity, are independent as regards the members of the Company's management and supervisory bodies.</p>	<p>3 MEETINGS</p> <p>100% ATTENDANCE</p>

See more detailed information on each governing body and the composition of the current mandate in the Corporate Governance Report 2014. If you are reading the PDF version of this report, click [here](#) 

4.1 Acting responsibly and ethically, ensuring the best governance practices and transparency

Regarding the specialised committees:



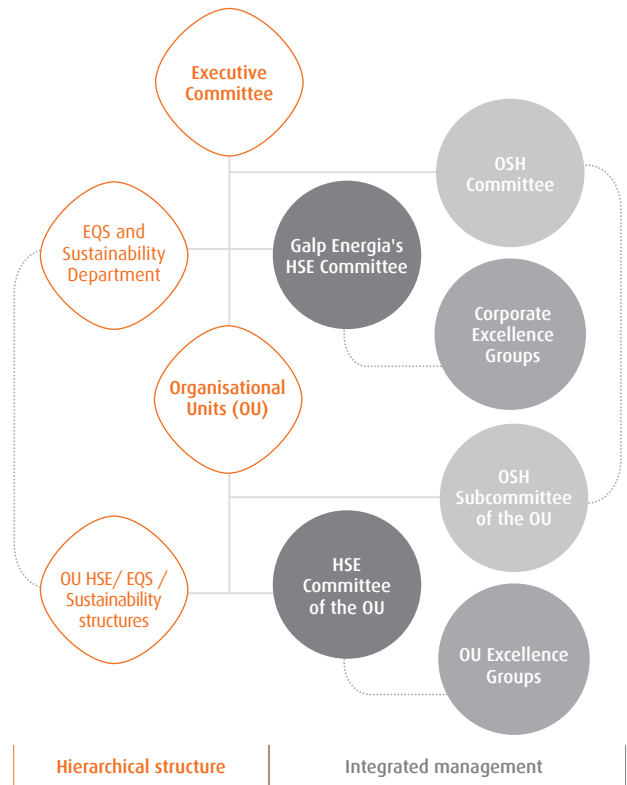
In 2014, the Sustainability Committee, which is composed of representatives from different areas of the Company and is chaired by the Executive Director responsible for sustainability, met four times. The order of business included the following topics:

SUSTAINABILITY COMMITTEE MEETINGS AGENDA



For HSE matters and the relevant management system, in 2014 there were still HSE committees in the organisational units, as part of the integrated HSE organisation model in force at the Company.

HSE INTEGRATED MANAGEMENT



Performance and compensation assessment

The independent assessment of Executive and non-executive Directors' performance is carried out each year by the Remuneration Committee, by consulting the non-Executive Directors about the Executive Members' performance, according to compliance with economic, financial and operational objectives, as defined annually in the remuneration policy approved by the GSM. Furthermore, the shareholders also assess the actions and performance of the BD and Supervisory Board each year.

The Company's remuneration policy is guided by three main principles, bearing in mind the Company's interest, culture and long-term strategy.

GENERAL PRINCIPLES OF THE COMPANY'S REMUNERATION POLICY

I.

To **attract and retain** the best professionals for roles in the Company and ensure the stability of the members of the elected governing bodies.

II.

To **properly remunerate** members of the governing bodies in line with market conditions, for their work, business know-how and results obtained, according to the competences and responsibilities inherent to their roles.

III.

To **reward** increases in efficiency and productivity, and long-term value created for shareholders by defining and implementing an incentive-based system related to the attainment of pre-defined objectives so as to encourage sustained growth of earnings and discourage excessive risk-taking.

Defining three-year objectives aims to help align the Executive Directors' actions with the Company's long-term objectives, in line with market best practices. Therefore, a fixed monthly remuneration is earned, plus a variable remuneration based on a range of indicators that consider the Company's operational performance, financial discipline and share performance.

The three-year component of the variable remuneration, although calculated annually, is only actually earned at the end of the three years if the proposed objectives are achieved.

Find information about the amount of annual remuneration earned by the governing bodies in the Galp Energia 2014 Governance Report. If you are reading the PDF version of this report, [click here](#)

4.1.2 Risk management

Centralised risk management in the corporate risk management area, which is the responsibility of the Risk Management and Insurance Department, aims to encourage the implementation of the Group's policies in the field. The policies are defined by the Executive Committee, to which it answers directly.

Internal control system

We have an internal control system based on a range of policies and procedures, rooted in guidance from the Committee of Sponsoring Organisations of the Treadway Commission (CoSO), and relating to the main aspects of Galp Energia's internal control: control environment, risk assessment, monitoring, information and communication.

GALP ENERGIA'S RISK ASSESSMENT METHODOLOGY



In 2014, a working group was formed as part of the Risk Management Committee, which deals with topics relating to compliance, environment, quality and safety and regulatory changes. This guarantees that these matters are duly included in the Company's risk management system.

Main risks and forms of mitigation

At Galp Energia, we classify the main risks into four main categories and define mitigation actions to keep them at acceptable levels.

See detailed information on the main risks and forms of mitigation in Galp Energia's 2014 Governance Report. If you are reading the PDF version of this report, [click here](#)

MAIN RISKS

Strategic

- Project execution
- Country risk
- Financial and liquidity needs
- Efficiency of investments
- Discovery and development of oil and natural gas reserves and resources
- Attracting and retaining qualified human capital

Operational or compliance

- Estimated oil and natural gas reserves and resources
- Health, safety and environment
- Business continuity and crisis management
- Failures in data reporting
- Insufficient insurance
- Losses from trading activities

External

- Volatility of oil, natural gas, LNG and oil product prices
- Political, legal and regulatory
- Competition
- Laws and regulations in the context of climate change and protection of natural habitats
- Corporate responsibility
- Uncertainty of the economic situation

Financial

- Counterparty default
- Credit restrictions
- Fluctuations in exchange rates
- Fluctuations in interest rates

4.1.3 Ethics and human rights

Galp Energia is committed to and governed by high ethical standards and respect for human rights. To meet this commitment, we have developed and implemented several tools for monitoring and control, including procedures and internal standards, committees, accessions to international initiatives, among others.

Code of ethics

Galp Energia's code of ethics is based on the principles of transparency, accountability and accuracy, establishing guidance standards for personal and professional conduct applicable to all stakeholders, specifically employees, shareholders, clients, suppliers and representatives of the communities with which we interact. Disciplinary measures are also applicable, as explained further on.

Aware that ethical conduct is a responsibility and a way of mitigating risks – particularly external risks linked to the political, legal and regulatory framework and corporate responsibility – and in a context of more intense E&P operations over a wider geographical area and operational scope, we worked on reviewing the code of ethics in 2014. In 2015, we will undertake a range of actions with a view to updating and strengthening the principles established in the code of ethics, and to facilitating its implementation.

To guarantee that trainees are aligned with our Company's ethical principles:

- we have made reading the Company's code of ethics compulsory when signing the contract;
- we have carried out workshops as part of the Trainee Monitoring Programme on the topic of ethics in the business world;
- we have provided training as part of the "Thematic Tuesdays" conferences on topics related to sustainability, ethics and gender equality.

See at our website the code of ethics currently in force at Galp Energia. If you are reading the PDF version of this report, click here 

Respect for human rights

In 2014, our human rights policy was approved. With this policy we are committed to encouraging, respecting and implementing respect for internationally recognised human rights. We have also undertaken the commitment to carry out actions that help prevent some of our management acts and activities from directly or indirectly causing abuses or violations of human rights in any location, context or situation, throughout the value chain and sphere of influence with our stakeholders.

This policy is aligned with internationally recognised standards, namely the ten principles of the United Nations Global Pact, the UN Universal Declaration of Human Rights and the International Labour Organisation.

We have also undertaken a commitment to ensure the effective implementation of this policy in our strategy and actions, carrying out a process of constant due diligence to evaluate the Company's impact on human rights. We further aim to integrate the results of that evaluation into our internal procedures in order to ensure effective responses that prevent and mitigate that impact, monitoring the effectiveness of the responses and the communication of the approach adopted to manage the mentioned impact.

4.1.4 Anti-corruption and transparency

Anti-corruption

We are aware of our corporate responsibility, and the consolidation of the values and principles undertaken – loyalty, correctness, honesty, transparency and integrity – is one of the management's priorities.

An anti-corruption policy has been in force since 2011 and applies to the Galp Energia Group, governing bodies, employees, clients and suppliers. In this policy, all corrupt practices are detailed and prohibited, in all their active and passive forms, including attempts.

Following the introduction of this policy, regulatory standards were approved relating to representation expenses with third parties and managing relationships with the government.

In 2014, the Committee for Monitoring Anti-Corruption Policy received one request for enlightenment from one employee, which aimed at assuring the conformity of his behaviour with regards to the code of ethics. This request was promptly attended to by the referred committee.

See at our website the Galp Energia Anti-Corruption Policy. If you are reading the PDF version of this report, click here 

Fiscal transparency

At Galp Energia, we recognise the importance of fiscal transparency and how it helps our stakeholders to make informed decisions.

We therefore meet all the fiscal demands established in the different jurisdictions in which we are present and carry out financial and commercial activities.

Our fiscal department, which is based in Lisbon, works constantly and in close cooperation with employees from all the Group's companies and subsidiaries to create synergies in identifying and complying with the specific, compulsory fiscal requirements in each location.

We consider the following actions in the strict compliance with all fiscal rules and dissemination demands.

- Submission of all required forms in accordance with local fiscal law.
- Monitoring and pro-activity as regards tax benefit situations.
- Monitoring of changes to relevant fiscal law and risk analysis with a view to adopting measures to mitigate any negative impact.
- Managing aspects of compliance.

In order to encourage good relationships with fiscal authorities, local governments and other stakeholders, we promote long-lasting relationships, interacting in a professional, courteous and timely manner. We have therefore established the following principles for relations with different stakeholders in matters of fiscal transparency.

- Managing the relationship with fiscal authorities, to reduce the risks to our reputation arising from issues that are not approached correctly.
- Participating in formal consultation processes with fiscal authorities.
- Participating in discussions to develop fiscal proposals with national and international organisations.
- Encouraging transparency and pro-activity in interactions with all stakeholders.

In this regard, in 2010 we committed to ensuring the transparency of revenues generated from the extraction and production of oil and gas through membership and support of EITI principles. In 2014, we maintained this commitment and guaranteed compliance with these procedures by disclosing the funds delivered to state authorities in Brazil, Mozambique and East Timor. We also report the payments to the State of Angola, although it does not subscribe to the EITI.



Funds delivered to state authorities	2013	2014
Brazil	113,649,526€	193,752,055€
Mozambique	989,564€	317,899€
East Timor	16,385€	0€
Angola	23,103,943€	29,134,127€

For more information on EITI and Galp Energia, see Galp Energia's declaration of support for EITI. If you are reading the PDF version of this report, click here



Joining the United Nations Global Compact

In 2013, we formally joined the United Nations Global Compact. We therefore undertook to respect ten major universal principles, including principles related to human rights and anti-corruption.

For more information on the Global Compact, see its website. If you are reading the PDF version of this report, click here

Our purchasing policy seeks to align our suppliers and partners with the principles and requirements applied by the Group by defining good conduct practices that should be observed when carrying out their activities. It includes the following topics:

Human and labour rights

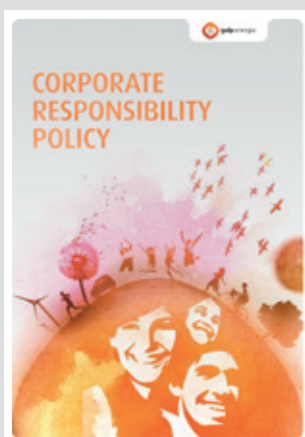


- Child labour
- Forced labour
- Freedom of speech and association
- Non-discrimination
- Bullying and harassment
- Remuneration and social benefits
- Working day
- Safety, health and hygiene at work

Ethics and transparency



- Legal compliance
- Code of ethics
- Confidentiality, privacy and intellectual property
- Encourage and protect whistle-blowers
- Competition (antitrust)
- Audits



Corporate responsibility policy

Galp Energia's corporate responsibility policy establishes the guidelines that we apply to our actions every day, seeking to systematically reach levels of excellence when implementing our strategies.

As regards corruption, we have undertaken a commitment to implement operational practices to fight corruption in all its forms, including extortion and bribery, and to encourage responsible political involvement, fair competition and respect for property rights.

See at our website the Galp Energia's Anti-Corruption Policy. If you are reading the PDF version of this report, click here

For any question or comment, please contact us at: responsabilidade.corporativa@galpenergia.com

4.1.5 Guarantee of compliance and conformity

We have a collection of instruments to guide, ensure, evaluate and prove compliance with the Company's codes and policies:



Commitment to compliance

Galp Energia's staff subscribe to a declaration binding them to the code of ethics. In 2012, we introduced a standard clause in the counterparty agreements with business partners, suppliers and others, which binds them to the provisions of our code of ethics, in order to fight corruption and safeguard human rights. In addition, we also commit our suppliers to complying with the purchasing policy.



Whistle-blowing channel

Galp Energia has a policy for reporting irregularities, in order to manage notifications to the body in charge, the Supervisory Board, of any irregularities at Galp Energia Group companies. Communication of any irregularity may be made in confidence, via letter or email to irregularidades@galpennergia.com.



Committee for Verification of Compliance

Composed of three members, appointed by the Executive Committee, its job is to ensure the implementation of the code of ethics and its interpretation, and to clear up any doubts or omissions. Any stakeholder can address the committee to raise any doubt or ask for clarification, or report an occurrence or irregular situation that may breach the code's standards.



Committee for Monitoring Anti-Corruption policies

It ensures the implementation and monitoring of the anti-corruption policy and its interpretation, addressing any questions arising and clarifying any omissions. This committee is composed of three Senior Executives appointed by the Executive Committee.



Training and awareness

Training and awareness of these matters during trainee integration, in the 'Conhecer +' programme, at 'Thematic Tuesday' conferences and in the Mygalp magazine. We ensure that all members of staff receive training in sustainability, the code of ethics, fighting corruption and safeguarding human rights through the e-learning tool.



Clarification channel

We have set up an email address to which members of staff can address their questions: codigoetica.comissao.verificacao@galpennergia.com.



Internal Audit

Internal audits at Galp Energia cover questions of compliance with the regulations and procedures in the Organisation's governance model, provisions in the code of ethics, the principles of the anti-corruption policy and the specific matters of human rights, labour rights and corporate responsibility.



Disciplinary measures

Any deviation from compliance with the general standards of behaviour established in the code of ethics is a serious offence that may lead to a disciplinary procedure and direct effects on the performance assessment.

In 2014, five reports of irregularities were received in the mail box created under the Irregularity Reporting Policy, of which three were related to the "Galp On" service and rerouted to the address reserved for natural gas customer claims, as per the Supervisory Board Support Office (GACF) Regulations. Another of the notices received involved a matter which was of the competency of Galp Energia's Human Resources Department; as such, the GACF remitted it to this body, as per the terms of these regulations.

The fifth notice revolved around an alleged conflict of interest of a Galp Energia employee. In view of the facts of the investigatory proceedings, the Supervisory Board believed there was no conflict of interest or breach of any applicable rule, regulation or internal procedure in force at the Galp Energia Group, and thus decided to close the investigation and file the proceedings, giving notice of the decision to the complainant.

Note that “irregularities” are defined as all fraudulent or seriously negligent acts or omissions, attributed to the conduct of the employees of Galp Energia or its subsidiaries in the performance of their professional duties, in breach of:

- legislation, norms or regulations in force;
- the code of ethics and anti-corruption policy and auxiliary procedures;
- best management practices; in all cases in reference to the domains of accounting, internal accounting control, auditing or the fight against corruption and financial crime.

In addition, a compliance department was created at the Company in 2014 as part of the Legal Services, Compliance and General Secretariat department, which has been entrusted with the following duties in this regard:

- define and implement internal control policies;
- develop and conduct training activities;
- support and advise;
- perform or manage internal investigations.

Internal control measures include mechanisms and procedures for analysing counterparties: Know your counterparty (KYC) and Know your transaction (KYT), which we have implemented.



4.2 Engaging with the community and other stakeholders and encouraging the creation of shared value

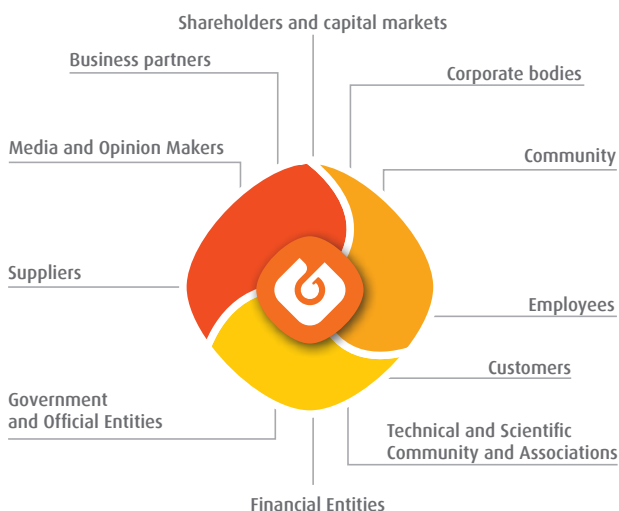
4.2.1 Dialogue with stakeholders

In 2014, we developed a new formal stakeholder consultation process to identify stakeholders’ expectations and views on matters of sustainability and to reanalyse the materiality of the various issues we are dealing with. This process was carried out in three different phases:



Selection and mapping of stakeholders

Given the relative age of the previous stakeholder mapping, and in view of changes in our business and strategy, we repeated the exercise of profiling our stakeholders. For this purpose, we defined 11 stakeholder groups, each divided into a set of sub-groups.



We created a template to conduct our inventory, which involved the entire Organisation, in the case of stakeholders from specific organisational units. This inventory allowed us to profile our stakeholders with regard to the following:

STAKEHOLDERS’ PROFILE

- Stakeholders’ group and sub-group
- Management model
- Communication channels
- Relationship SWOT analysis
- Relevant sustainability matters
- Influence and dependency
- Consultation strategy

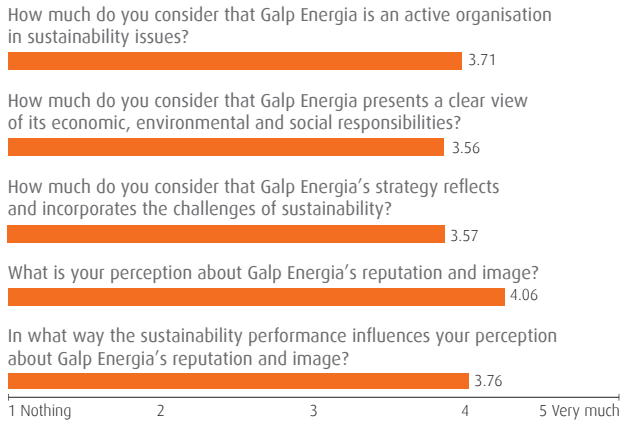
To establish the priority level for each stakeholder, we used the concepts of influence and dependency from the AccountAbility methodology.

Stakeholder consultation

In the consultation phase, a questionnaire was presented to stakeholders in order to understand which sustainability issues were considered priorities, as well as their expectations and their perceptions with regard to our performance in these subjects. From a total of 1,520 participating stakeholders, we obtained 615 responses, giving us a representative overview of our stakeholders in the various business segments and regions where we do business.

Results

In addition to the materiality evaluation results shown in chapter 3. **What are the material challenges?**, the following are the main stakeholder viewpoints with regard to our Company, strategy, reputation and relationship with sustainability.

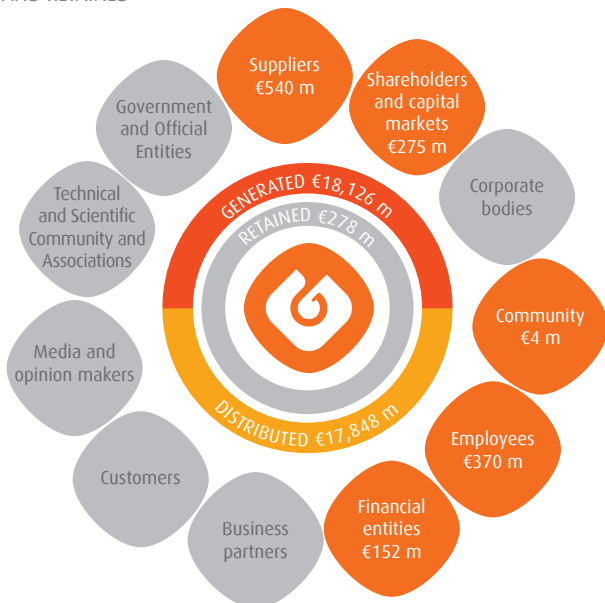


Note: Since our stakeholder group, the strategic context of our business and consequently also the feedback survey varied substantially vis-à-vis prior feedback processes, any comparison between the perceptions of stakeholders gathered in this process and in prior ones was limited.

4.2.2 Creating shared value

Our business activities create value for our shareholders, but also for the broader spectrum of our stakeholders. We create direct employment and value our human capital, develop local economies, galvanise the supplier chain, and distribute and reinvest the wealth generated. This is why we call the value we create "shared". This is an incontrovertible factor in our business sustainability, and essential for the longevity of our Organisation.

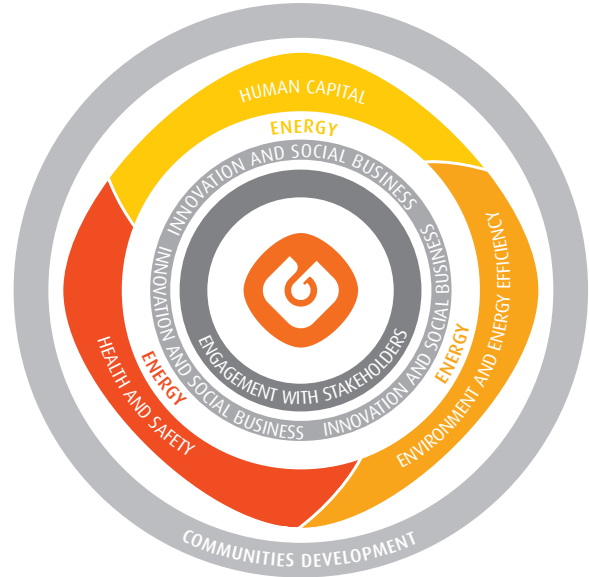
STAKEHOLDERS' NET AND ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED



4.2.3 Engagement with the community

Strategy of engagement with the community

We have a social responsibility strategy in progress, in line with our mission, values and strategy, aimed at maximising the use of available resources by the clear identification of priorities, objectives and expected benefits in a transparent and accountable manner.



Community investment policy

In the context of our social responsibility, philanthropy strategy and corporate responsibility policy, in 2014 we found it essential to define and implement a specific policy in the area of community investment. This need stemmed from recognising our responsibility to local communities as a means of managing the impacts of our business, along with the fact that we are agents in promoting their economic and social development.

Social responsibility is one of the cornerstones of our actions and communication. In this area, we have carried out a number of initiatives to delineate the relevant management system:

- comparative analysis of different benchmarks for the regions where we operate, to identify all the requirements to consider in designing the Social Responsibility Management System (SRMS);
- diagnostic auditing, based on a document analysis (policy, values and other existing documentation, including within the scope of other management systems according to the "plan - do - check - act" cycle) vis-à-vis requirements of the norm and identification of gaps and missing and/or incomplete items and documents.

In fact, we have implemented a number of corporate systems and various initiatives in this regard, in line with the benchmarks and requirements of NP 4469-1 and the guidelines of NP ISO 26000, which govern SRMS design and implementation.

Through our community investment policy, we are committed to structuring our activities in the community to ensure fairness and rigour in allocating resources and to consider the benefits generated.

In this way, we are focused on helping to develop communities in the areas where we are present, always bearing the following lines of action in mind:

- the circumstances of these communities;
- energy as the cornerstone of our operations;
- areas of the environment and energy efficiency, health and safety and human capital as the fundamental scope of our activities;
- encouraging involvement with stakeholders from each community;
- laying the groundwork for social innovation and promoting social and inclusive business;
- monitoring and optimising the results obtained by each contribution in the community.

Since 2012, we have reported our community investment through the London Benchmarking Group (LBG) model.

Motivation	€	%
Charitable gift	374,086	9
Community investment	3,477,084	85
Commercial initiative	222,117	5
Total	4,073,288	
Total including management costs:	4,294,700	

Subject focus	€	%
Education and young populations	1,081,122	27
Health	298,748	7
Economic development	30,530	1
Environment	192,292	5
Arts & Culture	878,721	22
Social welfare	1,480,894	36
Emergency relief	10,000	0
Other	100,980	2
Total	4,073,288	
Total including management costs:	4,294,700	

Volunteer work at Galp Energia

Galp Voluntária was created to help build a culture of social responsibility and citizenship by calling on employees to participate and proactively contribute towards community well-being through involvement in corporate volunteer initiatives.

“Putting employees’ capabilities, values and spirit of solidarity to serve economic and social development in the communities where the Company operates.”

in Vision of Galp Voluntária

In 2014, after three years of work at Galp Voluntária, there was a period of reflection on the programme’s organisation and operation to instil volunteer work at Galp Energia with a new dynamic. As a result of this reflection, large-scale initiatives were implemented in terms of their scope and number of participants, with major community impacts, together with a new motto reflecting the teamwork’s strength and scale: *Galp Voluntária, our energy goes far.*

In order to mark the relaunch of Galp Voluntária, an initiative was carried out, in partnership with the Galp Energia Foundation, at a large-scale pioneer event involving 600 employees in an underprivileged district of Lisbon, the city where we are headquartered.

Employees rehabilitate seven institutions in Lisbon (Alcântara) as part of a sustainable Staff Gathering

In partnership with Galp Voluntária and the Galp Energia Foundation, the employees invested a total of 3,840 hours in rehabilitating seven highly run-down community spaces, in an underprivileged district of Lisbon, to create conditions worthy of use by local citizens. This initiative will benefit around 14,000 residents from different groups in the local community. The rehabilitated areas included a Community Store, which will help more than 500 needy families, and includes items donated by employees.



The initiative was part of the 2014 Staff Gathering, an event organised in line with the guidelines of the “Sustainable Events Guide” by the Business Council for Sustainable Development (BCSD Portugal).

Volunteers celebrate Christmas

In partnership with the Portuguese Association of Families and Friends of People with Mental Disabilities and the “A Âncora” and “O Farol” homes, we organised workshops to make Christmas decorations for the Company’s trees. By involving these institutions, we aimed to maximise and promote the sharing of experiences between their users and our employees.



Activities in 2014 thus represent an all-time record in the number of participants and hours dedicated to volunteer work:



In 2015, we seek to continue down the path taken in 2014, prioritising the creation of enthusiasm and involvement among volunteers, by focusing more and more on the quality of operations and, as far as possible, developing initiatives in the different regions where we operate.

“Promoting and ensuring the commitment to include social responsibility in the strategy of the Company and in every region in which it operates.”

José Sequeira Nunes, Office of the Chairman and Communication

E&P training programme for Mozambican technicians

A team of five members from the National Hydrocarbon Company of Mozambique (ENH) joins E&P trainee team. Training was carried out (EQS and E&P).

Galp Energia promotes, with EPIS, work placements

As part of the “Future Vocations” project, work placements were sponsored for 12 students from professional courses. This project involved Galp Energia volunteers, who monitored the students and gave them an idea of the actual job world by developing and refining their technical and social skills.

Galp Energia Foundation

In 2014, the Galp Energia Foundation carried out the following main projects in the areas of social development, culture and energy and environment:

Social development



- Joint activities with the EPIS and Bagos d’Ouro associations
- Donation of toys, equipments, discontinued uniforms and gifts to associations that manage and forward donated goods
- Household appliances and equipment donations to private charities through the Energia Solidária campaign

Culture



- Publication of the book *History of Natural Gas in Portugal*
- Pre-completion of the book *History of 20 years of privatisation*

Energy and environment



- Monitoring the construction work of the pedestrian and cycling bridge over the 2.ª circular [ring road], whose inauguration is scheduled for 2015

Launches of new projects, primarily social in nature and currently in the planning and preparation phase, are scheduled for 2015.

See more detailed information on the Galp Energia Foundation at our website. If you are reading the PDF version of this report, click here

High Commission for Migrations recognises Galp Energia

Galp Energia was recognised for best practices in promoting cultural diversity by the High Commission for Migrations (ACM), specifically in its advertisement alluding to the 2014 World Cup held in Brazil. This campaign was inspired by diversity and by the mission of defending the principle of equal treatment and of fighting racism and xenophobia.

Other initiatives

Galp Energia Solidária

In view of the recent socio-economic situation, we signed a protocol in 2013 with the National Confederation of Welfare Institutions, the Union of Portuguese Church Charities and the Union of Portuguese Mutual Aid Groups. Under the name “Galp Energia Solidária”, this protocol provides the institutions with special conditions and major discounts in accessing our products and services.


In 2014, the protocol was extended to the National Federation of Welfare Cooperatives.

Find out more information about Galp Energia Solidária on our website. If you are reading the PDF version of this report, click here

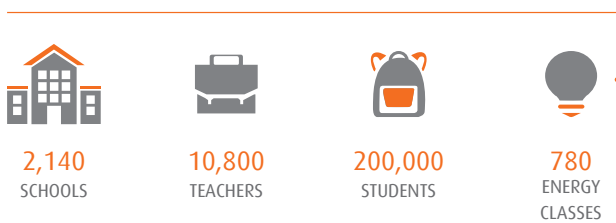
Missão UP and Missão Power UP

Missão UP | Unidos pelo Planeta reached its fourth edition in the 2013/2014 academic year. This educational project, targeting elementary and middle school students, is aimed at disseminating and integrating best practices and promoting awareness and mobilisation in the area of energy efficiency.

Missão UP's challenges continue to grow, as proved by its extension to high school students beginning in the 2014/2015 academic year. This new project, called "Missão Power UP", came to schools in November 2014, and is expected to encompass more than 100,000 Portuguese students from public and private teaching establishments across the entire country in its first year.

For more information on Missão UP and Missão Power UP, please visit our website. If you are reading the PDF version of this report, click here 

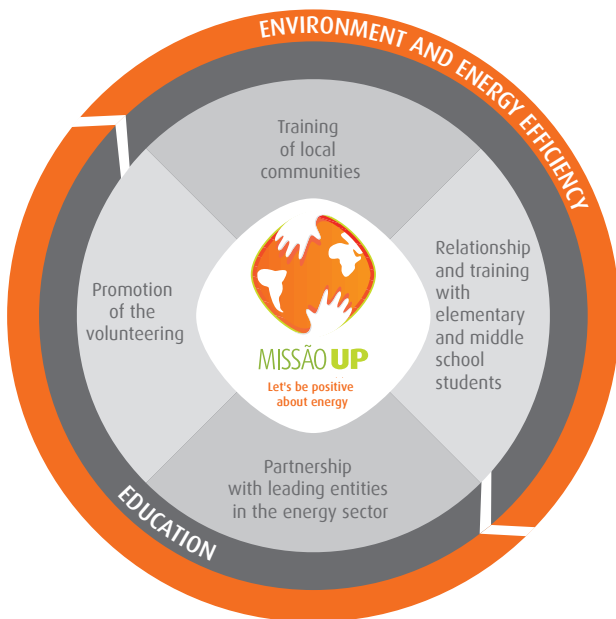
In the 2013/2014 academic year



Brigadas Positivas competition



Total 2010-2014



Junior Achievement Portugal

With a view to galvanising entrepreneurship and contributing towards economic and social development in communities, Galp Energia, through Galp Voluntária and in partnership with Junior Achievement Portugal (JAP), promoted a volunteer initiative under the "Braço Direito" programme targeting young students aged 15 to 20. This programme allows students to accompany a volunteer from the Company in his/her working environment for one day.

Founded in September 2005, JAP is the Portuguese equivalent of Junior Achievement, the world's largest and oldest non-profit educational organisation, committed to offering schools programmes that cultivate a taste for entrepreneurship in children and young people.

Along these lines, Galp Energia sponsored a presentation and background session for the Junior Achievement Portugal project among its employees.

Kidzania



Since 2009, we have had a significant presence at Kidzania. Kidzania is a family theme park where children aged 3 to 15 can "play adult" in a realistic learning environment. In this new venture, we saw an opportunity to communicate with a younger target audience and diversify our points of contact with the general public. We have replicas of a service station and a car wash at the park, where kids can work as station employees, petrol pump attendants or even just motorists.

Blood and bone marrow donation

In partnership with the Portuguese Blood and Transplant Institute (IPST) and Hospital do Litoral Alentejano, we allowed our employees to take part in blood and bone marrow drives in various locations across mainland Portugal, totalling 284 collections in 2014. Thanks to the generosity of the employees who helped in this invaluable initiative, IPST can continue with its mission of addressing the need for these life-saving supplies.

Casa do Gaiato (Mozambique)

We recognise that our boundaries are not limited to Portugal. In Mozambique, through Galp Voluntária and the Galp Energia Foundation, we supported Mozambique's Casa do Gaiato, so that this institution may continue to promote social programmes in the country and provide family support to hundreds of needy children.

Mulatone Senior Centre (Mozambique)



In view of the reality of the Mozambican community, we contributed clothing to the People to People Development Help (ADPP) welfare institution, at the Mulatone Senior Centre. This association works in every province of the country, providing services in education, health and other areas.

Construction of primary school (Mozambique)

Within the scope of our corporate social responsibility projects, the Area 4 consortium in Mozambique, which Galp Energia belongs to, is sponsoring the construction of a primary school. This school will serve a student population of 600 children from the Paquitequete district, one of the most underprivileged areas of the city of Pemba.

Environmental and social awareness day in Cerros de Alcalá (Spain)

Our employees in Spain and their children participated in an initiative to promote the social and labour integration of the disabled, and awareness on the importance of environmental conservation. This was yet another partnership we developed with the Aldaba Foundation, whose mission is to manage work centres for the mentally disabled.

"Orange Your Neighbourhood" campaign (Swaziland)



In conjunction with the European Union, we sponsored an awareness campaign called "Orange Your Neighbourhood" to eliminate violence against women.

Environmental Week in Pará (Brazil)



Belém Bioenergia Brasil S.A. (BBB) – part of the Galp Energia Group – sponsored the third Environmental Week under the theme "Solid Waste – Recycling is producing with sustainability".

The event, held at the headquarters and at the hubs of Tailândia and Tomé-Açu, in the state of Pará, Brazil, involved BBB employees, family farming partners, the local community of the extraction unit (located in Tailândia) and service providers. Presentations were given on solid waste in the context of sustainable production and the National Solid Waste Policy (PNRS).

Children's Day campaign Brazil



Galp Energia, through its subsidiary Petrogal Brasil, celebrated Children's Day with a special volunteer initiative. Employees from the Company took the initiative to act as "superheroes" in the real lives of children housed at or assisted by the Anjinho Feliz Institution. Each superhero had the chance to donate a gift to at least one child associated with this institution. More than 40 children were sponsored in this lifeline of solidarity.

"The Company continues to maintain a positive influence on society by adhering to international labour standards and human rights policies while contracting services in non-OECD nations."

Galp Energia's Top 3 Strengths: Risk & Crisis Management, Social Impacts on Communities, Biodiversity.

in Company Benchmarking Report – Presentation October 2014, RobecoSAM

4.2.4. Engagement with customers

We constantly seek to improve involvement with our customers by investing in communication with the domestic and export markets, resulting in different campaigns: dissemination and awareness, with information of interest to different segments; customer loyalty; launching and development of new products and services; promotional offers with major advantages for customers; promotion of cultural and artistic activities.

"...ensuring the quality of all of our products, and by streamlining processes and efficiency."

Marta Vieira da Silva, R&M

Relationship with customers

The following are just some examples of activities pursued in the area of customer relationships:

Action/goal



Dissemination and awareness of LPG Auto advantages

Encourage use in the LPG Auto market as a more price-competitive, environmentally-friendly energy source compared to petrol.

Awareness-raising mailing

Inform and raise awareness in shopping centres about new LPG Auto legislation.

B2B customer newsletter

Promote communication and sharing of information with B2B customers and Galp Business Fleet customers.

Technical newsletter

Promote communication and sharing of information with internal and external customers.

Notice "Lubricants for export market"

Business expansion into Latin American, African and Asian markets.

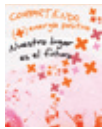
Galp Music Concert (Spain)

Involvement with customers and community, and promotion of artistic activities.



"Por Ellas" Concert (Spain)

Association with solidarity event through music.



Positive Energy Day (Spain)

100% Galp Energia event combining music, science and performance.

GalpFM online radio (Spain)

Involvement with customers through multimedia platforms. www.galp.fm - Galp Music app.

In our customer service areas that interact daily with our clients, we are focusing more and more on training, auditing quality and implementing initiatives for continuous improvement, thereby ensuring that employees in contact with customers are increasingly more aligned with the goals of our Organisation.

Furthermore, we perform a continuous process of monitoring and tracking the expectations and needs of our customers in order to ensure not only the provision of appropriate products and services, but also client satisfaction. As a tool to assess this satisfaction, the Company uses the European Customer Satisfaction Index (ECSI) methodology, a recognised system for measuring the quality of goods and services in the domestic market.

The 2013 electricity, dual and regulated market results on customer satisfaction were known in 2014

In 2013, Galp Energia was again the best company in terms of customer satisfaction within the dual segment, the electricity-only clients and the regulated market (Dianagás and Medigás distributors), according to the national ECSI index of the Portuguese Quality Institute (IPQ), the Portuguese Association for Quality (APQ) and Universidade Nova, through its Higher Institute of Statistics and Information Management (ISEGI).

In the Portuguese energy market, the spontaneous recognition of the Galp Energia brand was 90% in 2014 compared to 88% in 2013. With regard to the specific recognition for electricity, the trend continued upwards, up five percentage points compared to 2013, thereby demonstrating the growing recognition for our diversified portfolio. Growing recognition can also be seen as regards our international presence, with Brazil being the country most spontaneously mentioned, followed by Angola and Spain.

Galp Energia's reputation index

According to the Reputation Institute's 2014 Reputation Pulse Report, Galp Energia's reputation index was 70.5%, up significantly by 20% compared to 2013 (58.5%). Galp Energia is currently ranked third in reputation among the companies listed in Portugal on the PSI 20, and is the leader in the energy sector.

CUSTOMER SATISFACTION INDICES

Average indexes	Fuels	Bottled gas	Electricity	Natural gas (regulated market)	Natural gas (liberalised market)	Natural gas + electricity (dual offer)
Image	7.67	8.18	7.70	7.72	7.73	7.51
Expectations	7.58	8.10	7.51	7.71	7.80	7.62
Perceived quality	8.17	8.24	7.70	7.75	7.64	7.65
Perceived value	6.45	6.54	6.40	6.49	6.34	6.21
Satisfaction	7.37	7.91	7.27	7.49	7.42	7.10
Complaints	6.86	7.22	7.04	7.16	7.17	6.89
Loyalty	6.48	6.77	6.64	6.81	7.40	6.72

Scale: 1 (weak) - 10 (strong). From 6 the customer is considered as being satisfied.



Service for deaf people

Galp Energia, through its Refining & Marketing and Gas & Power businesses, began offering video-call customer service for the hearing-impaired in 2014, in partnership with the video interpreting service Serviin. This innovative and differentiated service is provided by a team of certified interpreters through Serviin, which interprets Portuguese sign language.

This initiative, in addition to allowing Galp Energia to join an elite group of Portuguese companies with this type of customer service, addresses several aspects of economic and social sustainability, namely customer satisfaction, compliance with legal requirements, human rights, non-discrimination, accessibility, community relations and engagement with stakeholders.

Products and services offered

In the current economic climate, we are channelling our efforts towards new offerings with advantageous conditions tailored to customers' needs, while simultaneously positioning ourselves competitively on the liberalised electricity and natural gas market.

Energy services

Household segment

A wide range of exclusive services for Galp Energia's customers, available 24 hours per day, 365 days per year.

Companies

Service promoting energy efficiency and minimising potential risks or breakdowns through 24-hour assistance and network and equipment maintenance.

Energy solutions (diagnosis, solutions, management, integrated energy solutions)

Integrated energy solutions, tailor-made for customers, combining different energy sources, solutions and technologies for more streamlined energy use and lower operating and maintenance costs.

We also offer corporate customers electronic services (billing, portal) to boost efficiency and cut operating costs.

In addition to services, we also offer innovative products.

Structured products



Galp On

More and more, we are a benchmark supplier in the liberalised electrical energy market, offering competitive rates tailored to the needs of each customer. The Galp On service - combining electricity and natural gas - is the Company's solution, with an energy plan customised for each customer's needs.



Energy Cubed Plan

In addition, in a particularly difficult year for Portuguese society, we launched a highly competitive and innovative market offering with the Continente brand as a partner, creating value for consumers: the Energy Cubed Plan. This service, the first to combine the three most common types of day-to-day consumer energy (electricity, gas and fuel), offers major discounts in billing. This is a historic milestone for our Company, which has achieved its ambition to become the only company on the Iberian Peninsula able to provide an integrated offering of core daily power sources. It will also further contribute towards a more competitive energy market, since we have already become the first company to combine electricity and natural gas into a single package.

100% Cool Campaign

Initiatives and offerings targeting the youth segment were also important, through a partnership with the National Association of Spirits Producers (ANEBE), with the aim of linking socially responsible driving with the country's oldest road safety campaign. We thus offered fuel discounts to young drivers with 0% alcohol readings at various road safety checks conducted by authorities in 2014.

“Serving our customers with our business values: transparency and operating excellence.”

Miguel Pereira, G&P

The Via Verde service we provide is also interesting. With a view to promoting innovation, continuous improvement and a focus on the customer, we have changed the concept of “filling up” with the Via Verde service, which is currently available at 109 retail outlets and 306 service stations.

Stakeholders and the quality of our products - Q2C system

We are fully aware of the importance of the quality of our products in terms of stakeholder confidence, given their expectations and bearing in mind the changing context.

CUSTOMERS

- Fulfilment of requirements conveyed.
- Positive differentiation from competing products.
- Absence of damages.

SHAREHOLDERS

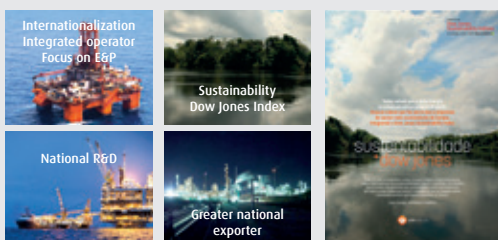
- Brand image.
- Value of the Company.
- Galp Energia as a benchmark company.

REGULATORY AUTHORITIES

- Compliance with applicable legislation.
- Transparency and proof of compliance.

In 2014, we continued our planned initiatives to improve the practices followed at Galp Energia's units in order to ensure the quality of petrol and diesel.

Of particular note this year was the creation of procedures and the mapping of value chain processes to identify indicators in order to monitor them and their respective checkpoints.

Galp Energia brand repositioning project

Within the Company's current reality as an integrated energy operator with multinational scope and presence in many different regions, Galp Energia has initiated a project to reposition the brand. The main goals of this project are to align the brand strategy with the Company's strategy and improve brand awareness in the countries where it operates, including the development of the communication concept and embracing every aspect of the brand, namely sustainability.

Although the project is still ongoing, a communication line has already been put in place, revealing the main messages identified. Within these, the institutional campaign underscores the size and comprehensive scope of Galp Energia's business, emphasising its role as an economic driver in the countries and communities where it operates. The impact of the Company's activities beyond its business sphere is also demonstrated - influencing the lives of people, not just as consumers, but above all as citizens.

The challenges faced by Galp Energia demand rigour, discipline and a responsible and sustainable approach. A responsible approach ensures more competitiveness and lower corporate risk, and empowers social development.

The campaign seeks to convey the Company's concern in implementing responsible and sustainable practices in terms of safety, the environment, developing human capital and financial soundness/"security", which have been recognised internationally, for example through its continued presence in the Dow Jones Sustainability Index.

4.2.5 Engagement with investors

In 2014, the shareholder structure of Galp Energia underwent some changes compared to the end of 2013. The free float increased from 38.32% to 46.66% during this time, thereby resulting in higher visibility on the capital market. In fact, several entities acquired qualified stakes in Galp Energia's share capital.


Learn more in the 2014 Annual Report and Accounts.

At the end of the year, the shareholder base of our Company included investors from around 40 countries on four continents. The investors located outside Europe accounted for 35% of the total shareholder base, slightly down from the previous year.

We are committed to disclosing relevant information on the Company's strategy and operations in a rigorous and timely

manner, while simultaneously taking the necessary action to promote knowledge and interaction with the financial community, namely with market regulators, analysts and investors. Along these lines, we met regularly with institutional investors and held numerous meetings throughout 2014, in Europe, North America and Asia.

In 2014, we also continued to organise the Capital Markets Day event, exclusively dedicated to financial analysts and Company investors. This highly important event helps encourage interaction between the Company's management team and investors. Its purpose is to disclose our updated strategic and financial plan.

Find out more information about Capital Markets Day on our website. If you are reading the PDF version of this report, click here 

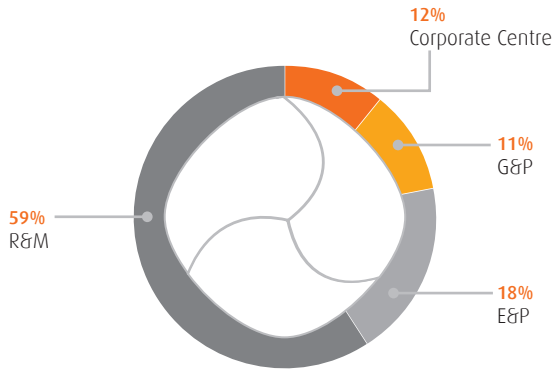
4.2.6 Engagement with suppliers

Our suppliers

In 2014, we had a total of €540 m in purchases among 4,981 suppliers, of which 2,231 had contractual agreements of more than €5 k.



PURCHASES PER ACTIVITY SEGMENT

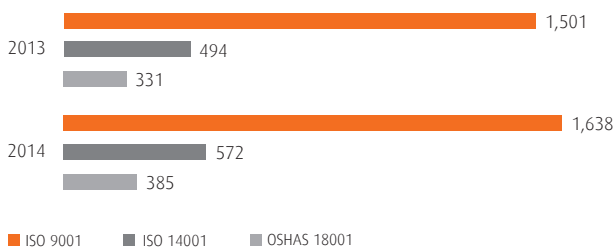


Note: E&P only includes amounts for operated activities.

There follows an evaluation of critical suppliers in the area of corporate social responsibility, by risk level, from responses to the Achilles questionnaire.

Risk level	No. of suppliers with billing in 2014
A+	137
A	222
B	43

With regard to main certifications (quality, environment and occupational health and safety):



At Galp Energia, we prioritise the purchasing of local products and services. The following table shows the details of local purchasing in the main countries where purchasing occurred in 2014.

Local purchases (%)	0-25	25-50	50-75	75-100
PORTUGAL				X
MOROCCO			X	
SPAIN				X
BRAZIL				X
MOZAMBIQUE		X		

Purchasing policy

Our purchasing policy aims to align our stakeholders with the Group's principles and requirements by defining conduct to be observed by suppliers and partners in carrying out their operations.

To this end, the policy states that the Company does not establish or maintain relationships with suppliers who are not in line with these principles, and that the Company will take the necessary measures when the ethical and professional conduct of suppliers becomes questionable.

The principles to be observed fall into four main categories.

Human and labour rights



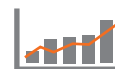
- Child labour
- Forced labour
- Freedom of speech and association
- Non-discrimination
- Bullying and harassment
- Remuneration and social benefits
- Working day
- Safety, health and hygiene at work

Ethics and transparency



- Legal compliance
- Code of ethics
- Confidentiality, privacy and intellectual property
- Encouragement and protection of whistleblowers
- Competition (antitrust)
- Audits

Quality and excellence



- Product and supply quality and safety requirements
- Focus on efficiency and continuous improvement
- Training and disclosure of procedures to staff
- Management systems
- Innovation

Environment and sustainability



- Efficient management of waste and emissions
- Handling of chemical or toxic products
- Sustainable, efficient and rational use of resources
- Licensing of activities with environmental impact
- Compliance with applicable environmental standards and regulations

“The selection and hiring of suppliers by the Galp Energia Group follows objective and transparent criteria, taking both commercial conditions into account, as well as the supplier's ethical and professional conduct and its compliance with the principles laid out in this policy.”

in Galp Energia purchasing policy




Supply4Galp collaborative platform

Following up on what was accomplished in 2013, we continued with our deployment of the Supply4Galp (S4G) platform in 2014.

This is a collaborative solution allowing users to share, in an integrated way, all information on the processes of Galp Energia's acquisition and supply management chain. This solution covers the entire purchasing cycle from the sourcing phase to managing supplies and agreements, bringing together all those involved and creating benefits in terms of transparency, efficiency and quality.

The engagement of all involved was ensured by a communication plan, as well as by training and awareness programmes for inside and outside stakeholders.

Goals

-  Increase the Company's collaborative capacity in procurement processes.
-  Streamline processes allowing for the reduction of time spent on supply.
-  Implement a continuous improvement logic for process enhancement and knowledge integration and retention.

Numbers at the end of 2014:



“The S4G platform gives us greater visibility of processes, making them simpler and more transparent, effective and agile, as well as less bureaucratic – this allows us to reduce process execution times and create value for all stakeholders.”

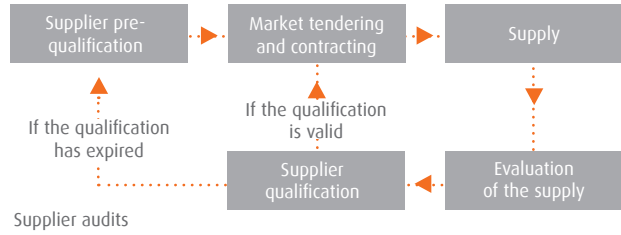
Alfredo Figueira, S4G Project Manager, in *mygalp magazine*, Oct./Nov./Dec. 2014

“The S4G platform will streamline the relationship between companies, since it allows us to visualise, at any given moment, the status of each process. We think that S4G may open up new business opportunities above and beyond those we have had until now.”

Cláudia Ferreira, TALIS GROUP, in *mygalp magazine*, Oct./Nov./Dec. 2014

Supplier qualification

The supplier qualification process is a key component of our Company's purchasing process, and takes place at several points during the process.



Find out more on the Supply4Galp website. If you are reading the PDF version of this report, click here 

Supplier audits

We are committed to the continuous improvement and sustainability of our suppliers' practices, so that they observe and are aligned with the requirements laid down.

To this end, audits are performed on suppliers and potential suppliers, following predefined requirements, and taking applicable legislation into account in the countries where they are carried out. The supplier auditing process is essential in foreseeing and managing potential risks.

Audits may be requested from suppliers in any stage of the qualification process, and include the following areas:

- Financial
- Technical
- Corporate Social Responsibility
- Safety
- Health
- Environment

On the other hand, suppliers may request an audit of their company. The classifications obtained from the audit are available on the list of Galp Energia Group suppliers.

At the end of the auditing process, a report is sent to the audited supplier with the main findings and conclusions of the audit performed. If applicable, a remedial measure plan or improvement plan is requested from the supplier, in accordance with the seriousness of the findings, so that it may remedy the points in question and improve its future performance.

Since the supplier auditing programme began, we have increased not only the number of audits performed, but also the rate of suppliers audited at least once in recent years.

SUPPLIER AUDITS (No.)



Haulage audits through the APETRO agreement

Galp Energia, together with the Portuguese Oil Company Association (APETRO), has an auditing plan in progress with hauliers hired to distribute its products. All drivers attend mandatory training, whose content is validated by Galp Energia with regard to defensive driving, product handling and other areas. Within the scope of this

agreement with APETRO, Galp Energia has signed a Heightened Road Safety Agreement with other associated companies to improve road transportation conditions for oil products, namely through initiatives with public entities aimed at revising legislation and developing a support system in the event of accidents. Four audits on hauliers were performed in 2014.



4.3 Valuing human capital

We are fully aware of the importance of our human capital in generating sustainable value.

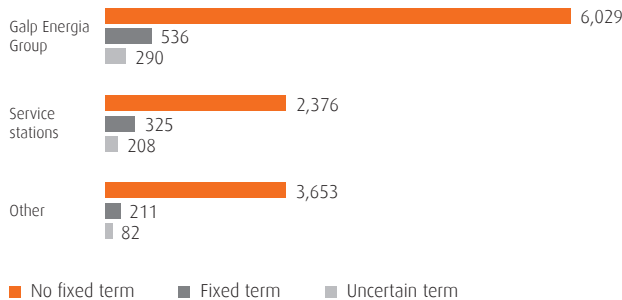
4.3.1 Our human capital

On 31 December 2014, Galp Energia had 6,855 employees.

Types of contracts

We prioritise stability, encouraging permanent employment contracts, which apply to 88% of our employees.

No. OF EMPLOYEES IN 2014



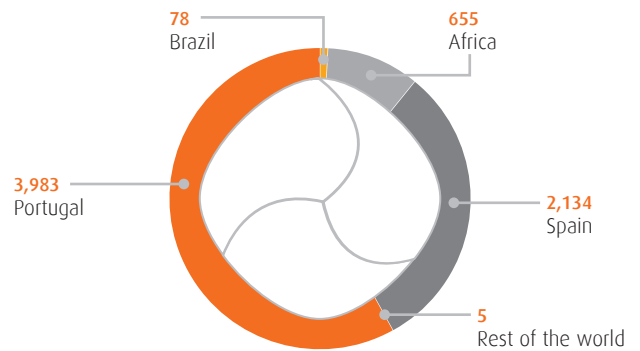
Age distribution

The distribution of employees by age group in various professional categories is as follows:

Professional categories	Total	Age groups			Gender	
		< 30 years	30-50 years	> 50 years	Male	Female
Executive/top management	54	0	26	28	49	5
Middle/general management	197	0	115	82	151	46
First line management/supervisors	468	4	295	169	308	160
Specialised employees	1,760	188	1,133	439	1,131	629
Other employees	4,376	581	3,005	790	2,513	1,863
Total	6,855	773	4,574	1,508	4,152	2,703

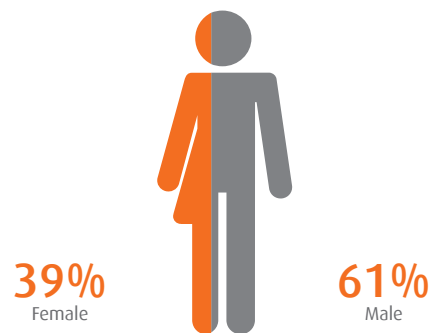
Diversity

The diversity and geographical dispersion of our employees are in line with our Company's evolving internationalisation strategy.



Distribution by gender

In 2014, the percentage of female employees remained the same (39%), when compared to 2013.





Joining the Company Forum for Equality:

In 2014, with a view to strengthening the principles of equality and

non-discrimination between men and women in the workplace, together with the balance between professional, personal and family life and the safeguarding of parenthood, we formally joined the Company Forum for Equality, sponsored by the Commission for Workplace Equality (CITE). At Galp Energia, we undertake to:

- draw up a guide for the use of inclusive language;
- promote a training initiative on “gender equality” for the Company’s management;
- provide training on gender equality and balancing work/personal life;
- integrate the topic into the “Conhecer+” programme and at the Galp Energia Academy.
- integrate the topic into the code of ethics.



Galp Energia’s “Thematic Tuesdays” conference on the impact of gender on communication and negotiation styles at organisations

Differences exist between genders in communicating and negotiating, which are created during the process

of socialisation resulting from culture and upbringing. However, the trend to male predominance in the higher ranks of the corporate hierarchy must be countered. This conference addressed the differences between genders and how to turn them into opportunities to achieve a company with a balance of both.

Local hiring

In the regions where we operate, our policy is to appoint employees from the main office to work as expatriate country managers and eventually take on other critical positions, with a view to ensuring a greater and more effective corporate connection between various affiliates, thereby consolidating our cultural matrix and organisational values. However, having ensured these principles, the majority of other employees are recruited locally to enhance social integration and inclusion in the communities where we are present.

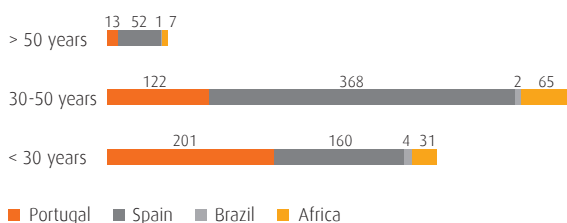
Non-discrimination and equal opportunities

At Galp Energia, we do business by fighting against gender, ethnic, religious and other forms of discrimination, both in the recruitment and hiring processes as well as in professional career development. The Company is proud of its policies and practices of non-discrimination.

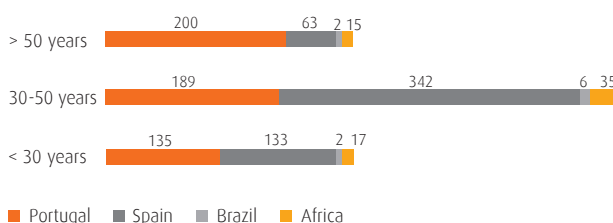
Turnover and mobility

In 2014, 1,026 employees joined and 1,139 left our Company, of which 46% and 42%, respectively, were female. These figures are mainly due to the fact that many employee contracts in the service areas are typically seasonal in nature.

No. OF EMPLOYEES WHO JOINED THE COMPANY PER AGE AND REGION



No. OF EMPLOYEES WHO LEFT THE COMPANY PER AGE AND REGION



On what regards turnover, indicator that measures the employees’ voluntary leaving of the Company, we observe the following figures per age and region:

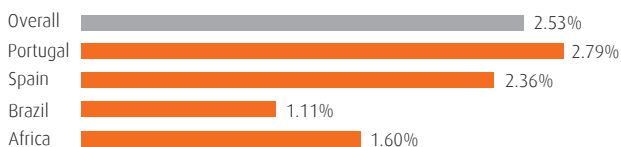
Turnover (%)

Region	Overall	<30 years	30-50 years	>50 years
Portugal	2.34%	8.24%	1.99%	0.29%
Spain	1.45%	2.67%	1.55%	0.27%
Brazil	6.32%	14.81%	5.80%	4.86%
Africa	2.13%	5.47%	1.67%	1.36%

In terms of mobility, there were 29 internal job openings in 2014.

Regarding absenteeism per region, the 2014 figures are presented in the following chart:

ABSENTEEISM (%)



4.3.2 Our strategy

We know that achieving our Company’s strategy largely depends on ensuring properly qualified human capital, whose technical and behavioural expertise is in line with our strategic goals and values, and who display the initiative and commitment to “make things happen”.

We recognise that the main challenges we face, in the particularly competitive climate of our sector, revolve around retaining and compensating the best employees, developing the next generation of leaders and creating an organisational culture that attracts the very best.

In acknowledging these challenges, we bear the following in mind:



Given that the successful execution of our Company’s strategy depends on how we prepare for the future in terms of human capital, we focus our strategy on developing, attracting, retaining and motivating people based on the following guidelines:



“...preparing leaders so that, by managing common people teams, they can transform them into teams of excellence, thus achieving extraordinary results.”

Cecilia Antunes, HR Development

Promoting a **CULTURE** of autonomy and accountability

The working culture is fundamental in executing our strategy, and requires constant alignment.

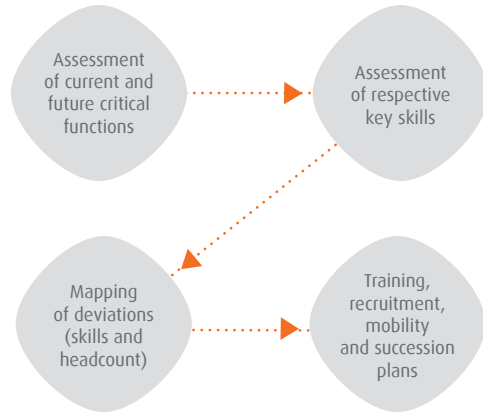
ESSENTIAL TRAITS OF OUR WORKING CULTURE



To enhance our alignment, we have established a programme aimed at strengthening the culture of autonomy, accountability and decentralisation, rooted in employee behaviour and an ever more critical and assertive vision, thereby ensuring our employees’ commitment to the Company within a multinational and multicultural setting.

Ensuring the strategic development of critical **SKILLS**

Developing critical skills is an ongoing challenge, particularly in the context of the business expansion we are now going through, and revolves around surveying critical current and future functions and the key skills associated with them. This survey results in the mapping of deviations, both in terms of skills as well as headcount, substantiating training plans and processes, recruitment, mobility and succession.



Within the scope of critical skills, the Galp Energia Academy is a vital instrument, constituting a training and assessment centre, providing advanced training and personal and professional employee development, and offering the highest quality and customisation in the courses taught. For more information about Galp Energia Academy, see chapter 4.3.6 Training.

“We must leverage the capabilities of Galp Energia’s staff and develop new leaders who can take on mounting responsibilities with regard to business and corporate functions. With focus, cooperation and ambition, we will shape tomorrow’s employees.”

Manuel Ferreira De Oliveira, *mygalp magazine* Jan./Feb. 2014



Profile of Galp Energia's leader

Skills: Strategic vision, change management, business/sector knowledge, ability to execute, decision-making capacity, initiative and dynamic approach, emotional intelligence, people development, ability to mobilise, teamwork.

“Change management, talent management and knowledge management are at the top of the agenda of new challenges to be faced within the scope of managing people.” Pedro Magarreiro, HR Management

Boosting the Company's reputation as an employer

We are aware of the importance of offering a sound reputation and value to our current and future staff members, which is leveraged through proper, relevant and integrated personnel management practices, to produce an image that stands out from the rest.

Thus, our goal is to foster a programme that encompasses all the integrated management strategies for human capital. To accomplish this, our employer brand and value proposal must be aligned with our values and strategic business objectives, and must be structured in a comprehensive, consistent and continued fashion.

Human resources related events in which we have participated

Continuing the heavy investment in the connection with higher education to attract high-potential young people, Galp Energia participated in 24 events in 2014 (Career Forum, Chemistry Day, Business Day, Galp Day), organised by various universities, and held various events in the Company (Open Day) to let university students know more about its activity.

4.3.3 Human capital in the context of E&P growth

Overall, the demand for specialised human resources has been increasing in the E&P area. Paradoxically, this is also an area of knowledge where there is a lack of trained resources, with the know-how and experience to add immediate value to the industry.

At Galp Energia, because of our assets portfolio and responsibilities in the consortia we participate in, we have recently dedicated a large part of our strategy to upstream activities, which implied dealing with new needs in terms of human resources. Therefore, the attraction, training, development and retention of human resources that are specialised in this sector is, more than ever, of fundamental and essential importance.

Currently, the E&P business has the fastest growth rates in terms of human resources in Galp Energia and responding to this demand is an enormous challenge. On that note, some important steps have been taken, such as the creation of a technical E&P career plan (Geosciences and Oil Engineering), the introduction of specific salary reference tables for the sector, the review of the technical profiles and skills dictionary, along with the implementation of specific technical training plans for E&P.

4.3.4 Human capital development programmes

We have several human capital development programmes:

Maturing Leaders @Galp

Developing Leaders @Galp

Leaders for the Future

Mapping High Potential

Generation Galp

Generation Galp programme

Continuing with the Generation Galp programme, aimed at recruiting high-potential new graduates, Galp Energia welcomed 51 young graduates in 2014/2015, who are working as interns for a year in various parts of the Company. The 2013/14 Generation Galp retention rate was 97.9%.

Mapping High Potential programme

The launch of the Mapping High Potential programme should also be highlighted, as it identifies young people of high potential and involves 416 members of staff. The aims of the programme are:

- to give every staff member the chance to reflect on their professional path and their expectations for the future;
- to provide the Company with deeper knowledge regarding young employees' talents and enable it to consolidate the most appropriate professional and personal development practices for each individual.

4.3.5 Performance management

Performance management system

The performance management system is an essential component for aligning every staff member's role with Galp Energia's strategy, aims and values, and it is seen as a powerful management tool.

PERFORMANCE MANAGEMENT SYSTEM

Essential component for aligning the role of every employee with Galp Energia's strategy, objectives and values

Main guidelines

Continuous improvement, alignment, commitment, integration and simplicity

Aim

- To align individual objectives with the Company's strategic objectives
- To boost the value creation culture, the assessment of which should reflect the critical business variables
- To promote and strengthen cooperation and dialogue by defining and assessing shared goals
- To guide staff members' professional goals
- To distinguish and reward good results, stimulating high levels of future performance

Components

- Objective-based assessment with impact on sustained performance and variable remuneration analysis
- Skills-based assessment with impact on professional development, training planning and salary progression:
 - Behavioural skills
 - Technical skills



We have a Skills Dictionary, which currently registers 124 technical skills, grouped into 16 knowledge clusters; and 13 behavioural skills.

The performance assessment process covered about 97% of our Company's employees in 2014. Apart from that, roughly 88.5% of the 719 managers were assessed according to 360° evaluation methodology, which has, in the meantime, been widened to include all employees who have others over duty but who are not managers.



Remuneration and performance assessment

Just as in previous years, the variable remuneration component depends on targets that are shared by the Group and the business unit, along with the input from individual performance.

Remuneration and performance assessment	2014
Percentage of variable remuneration dependent on individual performance	60%
Percentage of variable remuneration dependent on shared objectives	40%

Environment, quality, safety and sustainability factor

For several years, Galp Energia has been considering sustainability factors when assessing performance, as a way of ensuring management commitment and encouraging deep integration of sustainability questions into day-to-day activities. This means that members of staff are rewarded or penalised depending on their behaviour and results, compared with a series of reactive and proactive indicators for all the members of staff in Galp Energia's management units.

“Galp Energia believes that the protection of the environment in which it conducts its operations, the health and safety of all its staff, the quality of its products and services and the satisfaction of its customers and other stakeholders are essential values for the Company's sustainability.” In 05-001/2015

The Executive Committee meeting of 19 December 2014 decided to apply the EQSS - Environment, Quality, Safety and Sustainability factor, which will positively or negatively affect the 2015 performance assessment of every Galp Energia's staff member.

4.3.6 Training

The Galp Energia Academy runs integrated, innovative, stable and structural training projects aimed at developing management, technical and behavioural skills.

We work in partnership with reputable higher education establishments, contributing towards maximising human potential and sustainable Company growth.






Along with the advanced training courses, we also run other important events: we organise advanced seminars, workshops and conferences, as well as Galp Energia case studies.

The Academy is also an important internal networking management tool because of the very different kinds of groups of trainees. By the end of 2014, out of a total of around 1,200 eligible employees, 723 trainees passed through the Galp Energia Academy, including Company senior management, young people with high potential, client managers and technicians and engineers in the refining, production and reservoirs fields.

Galp Energia Academy partner schools in the FT Business Education Statistician ranking

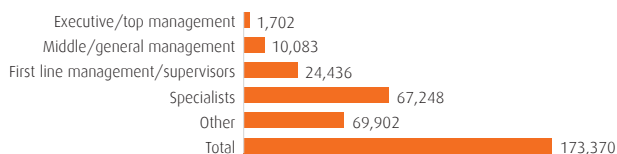
FT Business Education Statistician announced in 2014 its 2013 ranking of the 80 best providers of personalised training programmes, which included the two Portuguese management schools that are Galp Energia Academy partners, namely the Advanced Management Training Course (Católica Lisbon School of Business and Porto Business School).

Main Galp Energia Academy courses

	Goal	Partnerships	Indicators
 <p>FormAG Curso de Formação Avançada em Gestão</p>	To provide supplementary training to upper management and high-potential young people throughout the Company in the fields of advanced management, energy and behaviour in order to prepare them for leadership jobs.	Católica Lisbon School of Business and Porto Business School, the latter in partnership with Universidade de Aveiro and the Instituto Superior Técnico.	In 2014, 16,356 hours of training were provided to 319 employees.
 <p>EnglQ Programa de Doutoramento em Engenharia da Refinação, Petroquímica e Química</p>	To train highly qualified professionals in the areas of Refining, Petrochemicals and Chemistry, promoting excellence in expertise and the Company's human capital through three programmes: a doctoral programme, advanced training and tailor-made modules.	Companies that are members of AIPQR (Petrochemicals, Chemicals and Refining Industries Association) and five prestigious Portuguese universities.	The 5 th year was completed in 2014 and the 6 th began. 3,520 hours of training were provided to 30 employees.
 <p>GeoER Estudos Avançados em Geoenfheira de Reservatórios</p>	To train geologists, geo-scientists and E&P engineers in distinctive technical skills, capabilities and research methods within the area of geo-engineering of reservoirs.	Strategic union between Galp Energia and Petrobras, in partnership with five Portuguese universities and two Brazilian universities.	The 2 nd year of this programme started in 2014 with four Galp Energia employees and a total of 880 hours of training.
 <p>Compec Curso em Competências Comerciais</p>	To train sales staff in Portugal and Spain as true specialists in the sales process, able not only to think about its complete cycle, including after-sales service, but also to focus on profitable sales objectives, client loyalty and building sustainable relationships with customers.	Porto Business School.	The course was attended by 59 members of sales staff in Portugal and Spain in 2014, with a total of 4,810 hours of training.
 <p>MSCEP Mestrado em Engenharia do Petróleo</p>	To offer an apprenticeship experience heavily based on developing applied R&D activities, that respond to the specific needs of the oil and gas industry in one of the world's centres of excellence in the field of oil engineering teaching, training and research.	Institute of Oil and Gas and Heriot-Watt University, in the Approved Learning Partners scientific cooperation network.	The 1 st edition involved 32 Galp Energia employees, out of set of 53 trainees. A total of 23,128 hours of training were provided, of which only 2,632 hours were provided to Galp Energia employees.

In 2014, there was a total of 173,370 hours of training, which is equivalent to an average of 25 hours of training per employee.

TOTAL No. OF TRAINING HOURS



ANNUAL TRAINING INITIATIVES

		2013	2014
Conhecer +	No. of training hours	16,182	12,316
	No. of trainees	328	243
OPEX	No. of training hours	11,058	6,957
	No. of trainees	588	345
Conferences	No. of training hours	2,956	2,683
	No. of trainees	1,478	1,325
EQS	No. of training hours	48,348	28,215
	No. of trainees	8,903	5,414

Leadership training at Petrogal Moçambique

About 30 employees from Petrogal Moçambique attended a training course on leadership, where they were shown the importance of team work in an organisation's success. The course aimed at valuing the employees and ensuring they are continuously skilled to perform their functions.

conhecer

CONHECER + PROGRAMME

Goal: To provide contact with Company values to a wide range of staff members and to develop essential behavioural skills in a systematic way.

Programme: 51 hours of training/course
7 days over 1 month, 3 modules:

- Modules I and II: more than 20 in-house speakers cover matters regarding their areas of activity.
- Module III: 2 days on an outdoor course to get practice and experience in behavioural skills, such as team work, communication and conflict management.

"Thematic Tuesdays" conferences

Corporate Social Responsibility at Galp Energia
Is sustainability just a fashion or does it contribute to creating value?
Chatting with Manuel Ferreira De Oliveira
How to become an entrepreneur
Powerpoint victims
The energy of a brand
Building our Company's future today
Quality, service and price. Utopian equilibrium?
Does your team need coaching?
Educational projects at Galp Energia
Do you know if you are a good driver?
Storytelling
Do you want to save a life?
Gender impact on communication and negotiation styles in organisations

4.3.7 Employee benefits

We provide some benefits to our employees at Galp Energia as we are aware of how important their welfare is.

We offer most of our employees and pensioners a range of social insurance, namely a group life insurance and health insurance that covers direct family members.

In the case of companies covered by collective bargaining regulations, we ensure that workers and pensioners have social provisions that supplement the public health systems, namely in terms of illness and maternity assistance as well as child protection.

We provide post-employment protection to supplement the social security welfare system. In this area there are pension plans assured by Pension Funds in various Group companies that ensure the payment of supplements to pensions stemming from age, invalidity and loss of spouse.

We also grant access to a series of benefits and advantages to members of the Galp Energia Club, the main purpose of which is to value its members in many different areas, organising cultural, sports and social activities.

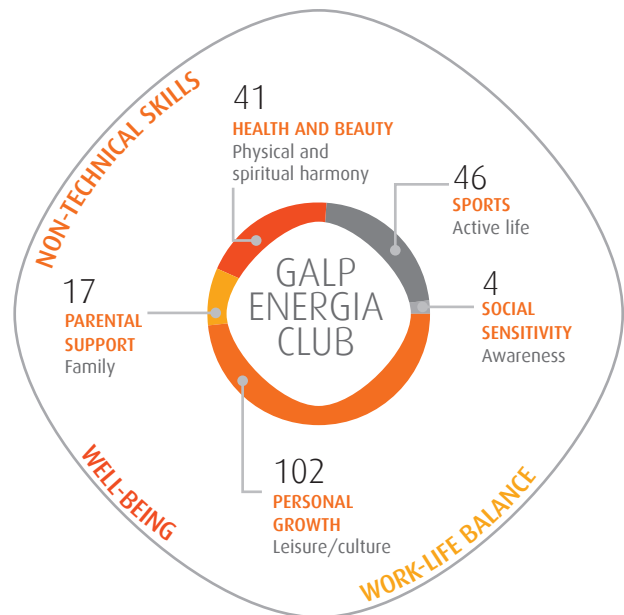
Out of these hundreds of events held in 2014, there were three Christmas parties (in Oporto, Lisbon and Vila Nova de Santo André), which were attended by 6,000 colleagues and their families from dozens of Galp Energia companies.

The club's growing importance is showcased by an 8.8% increase in the number of members since 2002. Either with active employees (especially relevant in terms of recent hirings) or retirees, the club's initiatives have promoted work-life balance and a deeper connection with the Organisation.

As regards engagement with the community, we should highlight the consolidation of about 250 partnerships. These partnerships mainly focus on senior citizens and their welfare.

As such, accords have been made with pharmacies and para-pharmacies, and also as regards tests and leisure therapies, thanks to which Galp Energia Club members are provided with preferential conditions for acquiring a wide range of goods and services.

GALP ENERGIA CLUB 2014 EVENTS



Apart from that, we also ran various non-occupational health events:

Example of non-occupational health events

Quit smoking

In most cases, people who want to quit smoking make countless attempts. However, not resorting to specialised help often leads to failure. Therefore, we held individual sessions about smoking - stopping smoking within the curative health services.

The work of the attending physician aims to help a smoker kick the habit, using a case by case approach that includes an assessment of tobacco consumption and the smoker's desire to quit, as well as the best strategies that can be adopted to change his or her behaviour.

Seasonal flu vaccine

Flu is an acute infectious disease of the airways, caused by a virus. Vaccination is one way of avoiding the flu and slowing down its propagation. Therefore, Galp Energia encourages all its employees to get vaccinated against seasonal flu if they wish to do so and are able to take the vaccine.

World Food Day

Petrogal Brasil commemorated World Food Day by providing its employees with a healthy, balanced snack, namely free fruit baskets. The aim of this event was to stress the importance of adopting nutritionally balanced eating habits and to encourage health in the workplace. Similarly, within the scope of HSE topics, and in the wake of this event, there was a campaign on food consumption awareness. The campaign, which was publicised among all employees, was intended to encourage cutting food waste and to promote the sustainable use of food, water, energy and financial resources.

4.3.8 Return on human capital investment

In line with practice over the last years, the financial impact of human capital policy was measured in 2014 using a formula drawn up by PwC in the European Human Capital Effectiveness Report. The return on investment (ROI) of human capital is calculated using the ratio of total operating income, minus operating costs not related to human resources, and operating costs.

GALP ENERGIA'S HUMAN CAPITAL ROI

	2012	2013	2014
Total operating income (€m)	18,644	19,764	18,126
Total operating costs (€m)	18,086	19,363	17,946
• HR operating costs (€m)	321	347	370
• Non-HR operating costs (€m)	17,765	19,016	17,577
Galp Energia's human capital ROI	2.74	2.16	1.49

The 2014 ROI, as compared to the 2013's, is explained by lower sales margins and increased human resources operating costs, mainly in non-recurring event items.

4.3.9 Staff involvement

Labour relations

At the Company, we pay special attention to staff information, particularly regarding complaints about labour practices, trying to anticipate them, informing and clarifying existing practices and policies, checking the reasonableness of any complaints and finding the most appropriate solutions.

As regards the relationship with union organisations and collective bargaining in 2014, and after a long period of talks with various union organisations, a new Company agreement was established for Petrogal S.A. This new agreement is basically the result of a need to review, update and modernise the existing agreement and the range of different supplementary agreements.

The new Company agreement brings all the previous agreements together in one single collective bargaining instrument, eliminating inapplicable provisions, updating others and adding new solutions to modernise labour relations and realign them with the Company's current and future requirements.

It should also be noted that we have kept close links with various worker committees, by holding periodic meetings on previously identified issues so as to ensure that these employee representative structures have the proper space for dialogue and participate in the Company's life.

Analysis of the work environment

We consider it is vitally important to encourage a healthy relationship with our employees, which is why we analyse and monitor the work environment every year.

The 2013 survey results are presented next and triggered a set of actions in 2014, which are part of the sustainability plan, under the pledge of "Valuing human capital".

In 2015 a new survey will be carried out.

ORGANISATIONAL CLIMATE SURVEY - FACTORS ASSESSED

	2013 (*)	Variation 2013 vs. 2012
Clarity	4.33	(0.2%)
Staff commitment	4.52	(0.5%)
Flexibility	4.22	(1.0%)
Training	3.76	0.3%
Remuneration	3.94	(0.2%)
Responsibility	4.30	(0.7%)
Stringency levels	4.58	(0.1%)
Response rates	54.20%	10.25%

(*) Results = average of all responses.

We implemented action plans in various Company units in 2014, with the participation of staff members, to deal with the issues regarding which the results were not as positive as expected. Examples of initiatives:

Factor	Action plan/initiative
Clarity	<ul style="list-style-type: none"> • Top manager letter • Information to employees about the survey results • Setting the mission and values of the department with the team • Monthly meetings with the team • Monthly KPI reporting
Staff commitment	<ul style="list-style-type: none"> • Development of a "fans club" • Development of an "idea box" • Bringing the issue "put yourself in the other's place"
Flexibility	<ul style="list-style-type: none"> • Procedures reviewing • Process simplification and implementation
Training	<ul style="list-style-type: none"> • Team training needs assessment • Encouraging internal recognition and knowledge sharing
Remuneration	<ul style="list-style-type: none"> • Individual meetings to give feedback on the employees' performance • Public recognition • Market benchmarking

Staff gathering

We frequently hold staff gatherings at Galp Energia to, among other objectives, encourage networking, make the employees more aware of the Company's strategic challenges, promote knowledge and access to Organisation information. In 2014, this meeting involved a large-scale social welfare initiative. For further details, please refer to chapter 4.2.3 **Engagement with the community**.

Internal communication tools





We have a series of information sharing tools.



Staff portal

The launch of the Staff Portal deserves to be highlighted, as its potential to integrate staff will contribute towards speeding up, simplifying and breaking down the more operational HR processes, thus boosting productivity, quality and the level of services provided.

It is a web solution that decentralises functions and access to information in the HR's back office operating systems, providing an important series of benefits as shown on the right:

-  Provides employees with autonomous access to services and information through an intuitive and simplified interface
-  Offers managers a set of tools to improve the efficiency and effectiveness of working teams management, while reducing the administrative burden
-  Allows for process modernisation and simplification, increased efficiency / effectiveness and operating costs rationalisation
-  Allows HR professionals to focus their attention on higher strategic contribution activities, reducing their involvement in low-value added tasks



4.4 Helping to satisfy future energy needs and minimising the intensity of the carbon footprint

“Aware of the challenges imposed by climate change and taking expectations of society into consideration, Galp Energia plans its adaptation to climate change and undertakes to promote the most innovative solutions to minimise the intensity of greenhouse gas emissions.”

in Galp Energia Vision on Climate Change, approved by the Executive Committee on 7 March 2014

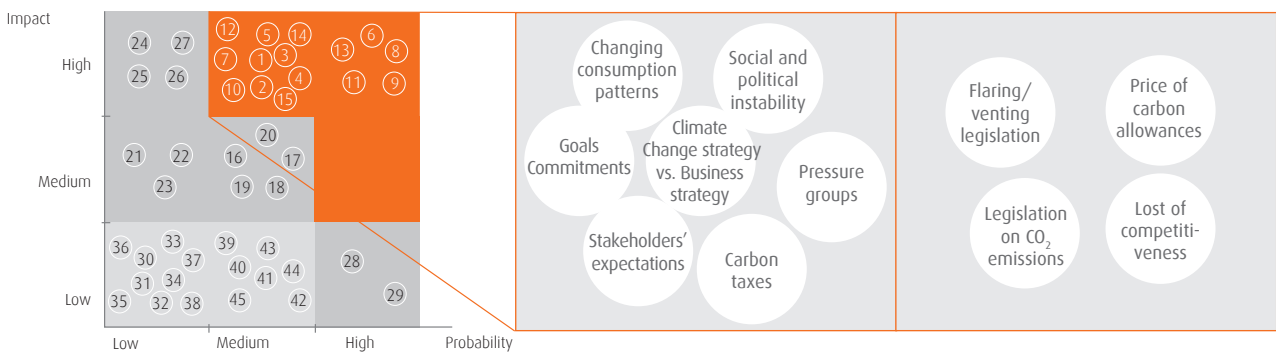
Therefore we established a vision, a policy and a governance model on climate change and outlined a strategy for the period 2014-2020, reassessing risks and opportunities and defining new specific actions, objectives and goals that will contribute towards complying with the commitments based on four strategic axes, which are:

4.4.1 Climate change strategy and governance model

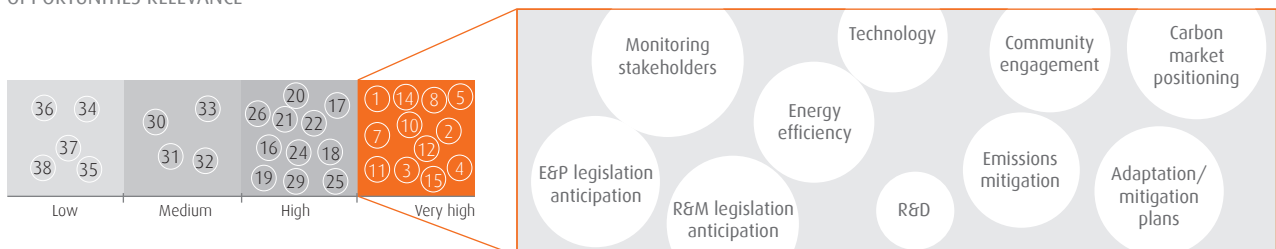
Taking into account the challenges that climate change represents for the Company and considering society's expectations, we began in 2013 and formalised in early 2014 the review of the Climate Change Strategy, considering the Group's strategy, its sustainability commitments and the portfolio of businesses in all the geographical areas and markets in which we operate.

-  I. Responsible exploration and production
-  II. Efficient refining and marketing
-  III. Innovation, research and development and promotion of efficient technologies
-  IV. Anticipating trends and expectations of stakeholders as regards energy and climate

RISK EXPOSURE LEVEL



OPPORTUNITIES RELEVANCE



The main focus of the overall commitment is to promote innovative solutions, minimising the carbon footprint of the business and contributing towards satisfying energy needs in a sustainable way. The publication of the Galp Energia policy and vision for climate change, with the respective Executive Committee approval, assures the commitment and company-wide involvement of the entire Group.

The risks and opportunities associated with climate change were identified and assessed, so that the lines of action defined in the strategic plan could address them, mitigating the risks and maximising the opportunities.

Beyond this, recognising that some of the risks and opportunities arise from external contexts and factors that are constantly changing, we have maintained a structure to monitor and continually manage these risks. So within the scope of the Compliance, Environment, Quality and Safety and Regulatory Changes work group, created under the Risk Management Committee, we established a "risk radar", with which we follow relevant developments, regulatory changes and Galp Energia's performance, measuring potential impacts and defining mitigation actions, as well as those responsible for their implementation.

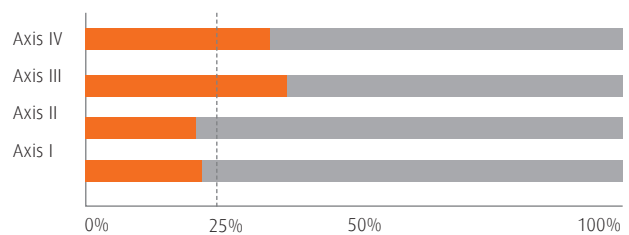
Find on our website more detailed information about the main risks and mitigation actions at Galp Energia. If you are reading the PDF version of this report, [click here](#)

Under the organisational governance model, the Sustainability Committee follows the implementation of the climate change strategy throughout the Company and it has a direct reporting line to the Executive Committee.

The objectives and goals defined in the four strategic axes are going to be a KPI in 2015 for the Group's business units, and, as such, will affect their performance assessment. They are therefore a clear incentive to integrate climate matters into the business strategy and decision-making processes.

4.4.2 Strategic plan for climate change

The actions of the strategic plan on climate change are drawn up in line with the strategic time horizon (2014-2020), and the average level of implementation so far is 28%.



■ Actions carried out until 2014 ■ Actions to be carried out by 2020
 ---- Average rate of enforcement by 2014



STRATEGIC AXIS ON CLIMATE CHANGE

AXIS I



Responsible exploration and production

Strategic objective

- Consider criteria related to climate change in the investment phase, enhancing natural gas resources in the E&P portfolio.
- Achieve the best market benchmarks in terms of emission intensity in the operations phase.
- Link social responsibility programmes with E&P and climate change strategies.
- Incorporate an assessment of infrastructure exposure to the physical risks of climate change into the decision-making process.

What we have done

- We have undertaken the commitment to size new projects to zero flaring, under normal operating conditions.
- We have defined and monitored KPIs to measure the level of implementation against the best O&G sector benchmarks.
- We have defined objectives and goals for 2020.
- We ensure our performance is checked by third parties.

What we are still going to do

- As an operator, ensure that in our engagement with the community we incorporate lines of action related to climate change.
- Active participation within the consortium in the project phase.
- Establish the enforcement of climate change strategy objectives as organisational KPIs.
- Monitor extreme climate events in the blocks where we operate, taking into account changes to the risks associated with climate change.

AXIS II



Efficient refining & marketing

Strategic objective

- Gradually evolve towards the best market benchmarks in terms of emission intensity and energy efficiency.
- Identify and mitigate impacts associated with trends and regulatory requirements, particularly with regard to emission limits in the refining phase.
- Identify exposure, in the medium term, to the physical risks of climate change and draw up plans or adaptation measures.
- Link social responsibility programmes with R&M and climate change strategies.

What we have done

- The identification of the best benchmarks on the market in terms of emission intensity and energy efficiency has guided R&M activity.
 - We have ensured our performance is assured by third parties.
- Refining**
- We have established ambitious objectives for refining activity: "Leadership in Energy Availability and Efficiency in Western Europe, attaining the 1st quartile in 2015/2016".
 - We have implemented energy efficiency projects at the Sines and Matosinhos refineries - €56m in energy savings between 2013-2017.
 - We have established CO₂/CWT goals for the industry benchmarking indicator for each refinery (EU Benchmarking – 2007/2008). We have surpassed objectives and the Matosinhos refinery reached a performance superior to the industry's top ten (29.5 kg CO₂/CWT, in 2008), with 28.2 kg CO₂/CWT.
 - Monitoring the carbon market and the management of emission licenses, under the scope of the European Union Emissions Trading System (EU ETS), is a strategic issue in the management of Galp Energia. To this end, there are internal management tools that ensure compliance with carbon-related objectives.
 - Energy certification according to ISO 50001:2011 standard at the Sines and Matosinhos refineries.
 - We have described the risks and defined climate change adaptation plans, taking into account the safety of facilities and supply.
- Logistics**
- We have implemented and monitored energy KPIs.
 - We have obtained ISCC certification according to the European Renewable Energies Directive (RED) for our storage facilities in Gijón and Valencia.
 - In Portugal, we have described the risks and formulated climate change adaptation plans for the logistics facilities we operate, taking into consideration their safety and the safety of supply.
- Marketing**
- Project for more efficient supply in Portugal and Spain - covering 100 service areas by implementing energy efficiency measures, we obtained a reduction of 10 to 14% in electricity consumption.

What we are still going to do

- Refining**
- Maintain updated knowledge on the impact of extreme climate phenomena on our facilities so as to minimise the associated risks and act to adapt.
 - Establish objectives and goals, based on the performance KPIs, related to eco-efficiency.
 - Attain the 1st quartile of the Energy Intensity Index (EII) at both refineries in 2015/2016.
 - Attain a carbon intensity performance in line with the industry's top ten (29.5 kg CO₂/CWT) in 2017.
 - Monitor extreme climate events so as to constantly update the adaptation plan.
- Logistics**
- Monitor extreme climate events so as to constantly update the climate change adaptation plan pertaining to the main logistics terminals.
- Marketing**
- Continue the energy efficiency measures implementation plan at our service areas.
 - Establish the enforcement of climate change strategy objectives as organisational KPIs.
 - Installation of NG service stations as part of the LNG Blue Corridors project (two service stations in 2015).

AXIS III


Innovation and research as well as development and promotion of efficient technologies
Strategic objective

- Ensure that innovation and research strategy includes areas of activity related to climate change.
- Monitor emerging technologies and understand their impact on business and the various markets.
- Promote biofuel research and production, maximising its position in the value chain where it is most relevant.
- Promote the research, development and implementation of innovative services and solutions in order to improve energy efficiency in operations, clients and business partners.

What we have done
Energy efficiency projects

- We established an energy consumption reduction goal of between 5% and 15% in the energy efficiency projects we developed.

Biofuels

- At Enerfuel, we met 97% of the production quota attributed by the Portuguese government in 2014, producing over 11 kton, which is the equivalent of a reduction in Greenhouse gas emissions (GHG) of around 84% compared with mineral diesel.
- At Belém BioEnergia, we planted 41,506 ha.
- Partnerships with the scientific and technology community in energy efficiency and GHG mitigation projects.
- 14 new R&D projects in Brazil.
- 47 bursary students as shown below:
 - Galp 20-20-20 Programme: 21 bursary students;
 - EngIQ Programme: 2 bursary students;
 - Heriot-Watt Programme: 21 bursary students;
 - Doctorate: 3 bursary students.

What we are still going to do

- Establish the enforcement of climate change strategy objectives as organisational KPIs.
- New projects being developed:
 - Launch of Smart Galp in 2015;
 - Replace traffic light bulbs in Lisbon;
 - Encourage the use of natural gas on ships.
- In 2020, use of 10% renewable energy sources in road transport fuel.
- Belém BioEnergia - attain a total of 48,000 ha planted in 2017.

AXIS IV


Anticipating trends and expectations of stakeholders in the area of energy and climate
Strategic objective

- Ensure that the topic of climate change is included in the development and monitoring process of relevant stakeholders' expectations.
- Anticipate the impact of industry trends and ensure active participation in political decision processes in the context of climate change.
- Monitor and report Galp Energia's carbon footprint and promote the adoption of practices that minimise its emissions.

What we have done

- The importance of climate change was recognised by all stakeholders as part of a consultation process.
- Participation in work groups, conferences and discussion forums in accredited entities (for instance: European Association for Environment, Health and Safety in Refining and Distribution [CONCAWE], FuelsEurope, International Oil and Gas Producers Association [IOGP], APETRO) allows for sharing and privileged knowledge of best practices and industry directives, minimising the risk associated with political decision processes.
- We have taken positions regarding the development of European legislative frameworks we believe to be strategic: Energy-Climate Package 2040; Fuels Quality Directive; EU ETS Directive and Market Stability Reserve.
- Annual monitoring of our carbon footprint.

What we are still going to do

- 2015-2017 stakeholder engagement plan, with the definition of key actions under the scope of climate change and in line with Galp Energia's strategy.
- Promote training and awareness programmes for business partners, clients and employees of Galp Energia, under the scope of emission management, to minimise the carbon footprint.

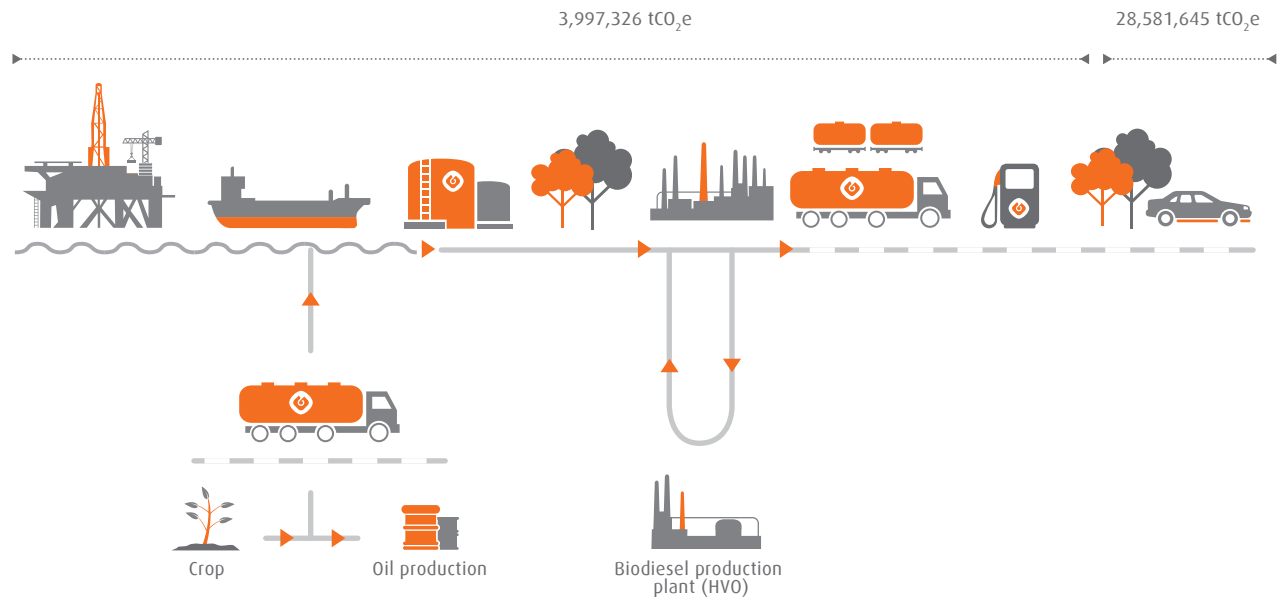
4.4.3 Our carbon footprint

The reduction of our carbon footprint, particularly by decreasing the carbon intensity of our operations, is a challenge, especially in the context of expanding operations. In order to respond to this challenge, monitoring the carbon footprint is essential, which is why we do so regularly. In fact, we consider that results and progress in the main indicators are relevant in defining the Organisation's strategy, objectives and goals.

“As an integrated energy operator, Galp Energia understands that acting responsibly on climate change is a priority. We monitor our performance and communicate it in a transparent way to our stakeholders.”

Sandra Aparício, Department of Environment, Quality, Safety and Sustainability

LIMITS OF THE CARBON FOOTPRINT IN 2014



SUMMARY OF EMISSIONS

Unit: tCO ₂ e	A1	A2	A3	Total 2014	% without the use of products
Total WITHOUT using products	3,481,132	161,626	354,568	3,997,326	100%
Total WITH using products	3,481,132	161,626	28,936,213	32,578,971	-
E&P (operated)	5,605	0	6,377	11,981	0.3%
Refining	3,102,296	132,322	0	3,234,618	80.9%
Power	109,450	216	0	109,666	2.7%
Supplies & Logistics	3,661	7,383	298,461	309,505	7.7%
Distribution & Retail (oil)	0	19,348	48,222	67,570	1.7%
Distribution & Trading (gas)	246,831	213	0	247,044	6.2%
Others	9,628	1,345	1,508	12,481	0.3%
Biofuels	3,661	799	0	4,460	0.1%
Use of products	0	0	28,581,645	28,581,645	-
E&P (non-operated)	229,835	0	0	229,835	-

Notes on methodology in Appendix IV.

4.4.4 Responsible E&P



In 2014 we highlight the inclusion of sizing for “zero flaring” in normal operations as an acceptance criteria for investments in development and production projects.

In new projects, our premise is to identify and ensure the use of the best practices and technologies in energy efficiency.

As non-operators, we monitor the main energy and GHG indicators in the blocks we participate in, to try to influence the project consortia in which we have a stake.

In this way, we make our climate change strategy and policy known (for instance, at consortium meetings with implications for operating management) and share good practices, so that, when the time comes to take decisions, the best energy efficiency solutions are adopted.

In the blocks where we are not operators, the following measures are in line with our climate change strategy: gas reinjection, the use of gas as a fuel (consumption of gas in the process) and exporting gas via pipelines.

Contribution to carbon funds or environmental protection

In Brazil, as part of the CO₂ compensation programme, two financial contributions were made to the Amazonia Fund in 2014. Galp Energia, through its subsidiary Petrogal Brasil, contributed to the aforementioned programme, in proportion to its participation in the consortium BM-S-11 (10%).

Amazonia Fund

The aim of the Amazonia Fund is to attract donations for non-refundable investments in prevention, in monitoring and fighting deforestation, and in promoting the conservation and sustainable use of the Amazon forest.

The Amazonia Fund mainly supports projects in the following areas: public forest and protected areas management; environmental monitoring and supervision; sustainable forest management.

4.4.5 Efficient R&M



Climate policies

We consider that the main focus of climate policies must be the reduction of GHG rather than defining specific goals for energy production and consumption.

A strong, competitive refining system ensures flexibility, safety and resilience in the supply of energy products, being particularly important during international crisis scenarios and potential disruptions, because it creates a range of options and provides consumers with value.

At European Union (EU) level, we believe that a realistic goal for the reduction of GHG must be the central driving force behind climate and energy policies, supporting the most efficient and cost-effective path. We therefore defend the European Union Emissions Trading System (EU ETS) as the EU “flagship-instrument” within its framework for energy and climate, recognising it as a cost-effective market mechanism for reducing emissions in the electricity sector and in industry, while contemplating appropriate mechanisms to safeguard against carbon leaks, with the aim of protecting EU industry after 2020.

We also support the development of policies that are technologically neutral and lead to a long-term change in consumer behaviour in order to attain a more efficient consumption of the available energy resources and the responsible use of all energy sources.

Energy efficiency in the refineries

We have defined ambitious objectives and goals for our refineries: we intend to attain benchmark levels in terms of energy efficiency and the carbon intensity of the activity.

“Our objective is to minimise the impact of our operations, sustainably diminishing the carbon intensity of the activity, and we want to be Western Europe’s energy efficiency leaders, attaining the 1st quartile in the refining industry in 2015/2016.” Martinho Correia, Refining Department

“The European refining industry supplies a huge range of products that are used every day by citizens and companies. Oil derivatives represent more than 90% of the fuel needed for transport in the EU, so the refining industry plays an important role in terms of mobility. On the other hand, the refining industry also supplies raw material for the petrochemical industry and about 70% of this raw material comes from refining naphtha. The close tie-in between the two industries is, without doubt, an important contribution to the competitiveness of both sectors.” in FuelsEurope 2013 Annual Review

At Galp Energia, we have implemented new energy efficiency measures at the refining equipment, after the overall conversion project at the Matosinhos and Sines refineries. This was the most ambitious industrial project in Portugal. Its aim was to adapt refining equipment to new trends in demand on the fuel markets and equip refineries with improvements that would enable them to attain benchmark levels in terms of energy efficiency, through the modernisation of facilities and processes. The implementation of these measures involved an energy efficiency plan for each refinery with the ambitious objective of making them benchmarks in the industry in the short-term.

With regard to the **Matosinhos refinery**, our objective is to be the leader in costs in Western Europe, in the 1st quartile in 2015.

Energy efficiency measures implemented at the Matosinhos refinery

- Start of the co-generation unit, with optimisation of steam and electricity production.
- Replacement of load/waste water exchanger at the Reforming II unit (U3300) by a more technologically efficient exchanger.
- Installation of exchange device at UN-3700 and revamping of UN-3700 and H-3001.

We implemented a series of energy efficiency measures at this refinery in 2013-2014 allowing us to get energy savings of over €5 m. The implementation of new measures is already scheduled, and will allow savings of over €3 m in 2015, taking it to a total of over €8 m for the period 2013-2015.

The measures that have been implemented have allowed us to reduce the EII by 1.8% in the period 2013-2014, placing the Matosinhos refinery on the threshold of the 1st quartile of performance.

What is the Energy Intensity Index?

The Energy Intensity Index (EII) is an index of energy intensity drawn up by Solomon Associates, which compares the consumption of primary energy sources at a refinery with a benchmark refinery of similar complexity, measuring its energy performance. The reduction in EII implies less energy is consumed for the same production level and directly represents a relative reduction in GHG and regulated pollutants.

With regard to the **Sines refinery**, our objective is to be the leader in energy efficiency and availability in western Europe, in the 1st quartile in 2015/2016.

Energy efficiency measures implemented at the Sines refinery

- Start of a new production cycle, changing from cracking to hydrocracking, with the construction of new units according to the best available techniques.

We carried out heavy investments in energy efficiency at the Sines refinery in 2013-2014, enabling us to make savings of an estimated €26 m. The implementation of the energy efficiency measures allowed the EII to be reduced by 10.9% in 2013-2014. New further measures are projected and will be implemented in 2015-2016 with estimated energy savings of €30 m. With the implementation of these measures, we hope the Sines refinery will be in the 1st quartile by 2016.

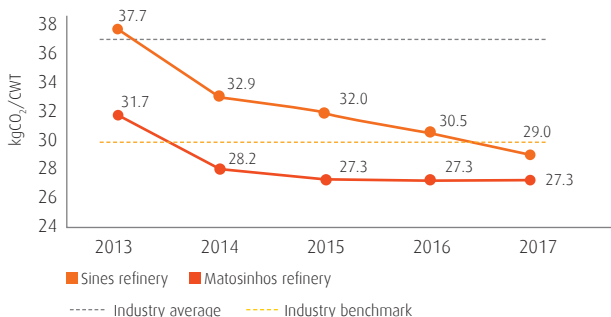
Specific refinery emissions (CO₂/CWT)

The implementation of energy efficiency projects is closely connected with, and largely contributes towards, the reduction of GHG. The investments that have been made, together with reducing operating costs and modernising refining equipment, contribute towards attaining the CO₂ reduction objectives and goals set by the Company. To this end, the specific emissions expressed in kg CO₂/CWT – the specific benchmark established by the European Commission for the European oil refining industry - maintained the downward trend seen in previous years.

What is the Complexity Weighted Tonne?

The Complexity Weighted Tonne (CWT) is an indicator drawn up by Solomon in partnership with CONCAWE that compares different refineries according to European Commission decision 2011/278/CE, of 27 April. The CWT characterises refineries of different sizes and complexity through a means of comparing CO₂ emissions. The CWT can be applied to all EU27 refineries and takes into consideration the production mix of each refinery, reducing complexity by using various assessment parameters.

In the case of the Matosinhos refinery, we witnessed a better performance than the industry benchmark at the end of 2014 with 28.2 kg CO₂/CWT. Energy efficiency investments will allow us to keep this performance level relative to the European benchmark. At Sines, the recent commissioning of new units led to an improved performance of 32.9 kg CO₂/CWT, better than the industry average. This performance, although slightly worse than the European benchmark, moves towards the refinery objective of 29.0 kg CO₂/CWT, in 2017, making the Sines refinery a leader in availability and energy efficiency in Western Europe.



Energy efficiency in service areas

In 2014 we completed the process of implementing the measures proposed as part of the energy efficiency project applied to 100 Galp Energia's service areas.

Energy efficiency project objectives in service areas

- Reduction of between 10% and 14% in electricity consumption.
- Improved energy demand management.
- Application of the best technologies adapted to service areas.
- Change in employee behaviour.
- Awareness-raising on the issue of energy efficiency.

The last year of the project was mainly concerned with raising awareness amongst service area employees, who we consider fundamental to the project's success.

As regards the implementation of the Moving to LED pilot project, we managed to present a solution with an innovative edge, allied with the implementation of dynamic advertising hoardings, and an electricity-saving approach to illumination by replacing current technology with LED technology.

The overall results of the project are positive with an 11% reduction in overall energy consumption. The premise of continuous improvement remains, so we shall continue to foster investment in energy efficiency, particularly in our activities.

Cleaner fuels

Our investment in offering cleaner fuel solutions, such as Natural Gas for Vehicles (NGV) and Liquefied Petroleum Gas (LPG), involves expanding the network of new service stations, ensuring leadership of the domestic market.

In Spain, investment is focusing both on CNG, where we are building two positions, and on the LPG market, which is expanding rapidly, and we are currently increasing the number of stations.



In Portugal, with legislative changes, we have reinforced and developed awareness and information campaigns about the access of LPG vehicles to underground car parks and encouraged the development of freight and passenger fleets driven by LPG.

Currently, the Galp Energia brand network in Portugal has 78 LPG service stations, being leaders in this market, as well as two for CNG. In 2014, about 60 thousand m³ of LPG and 6 million m³ of CNG were sold in Portugal, which allowed for a significant overall CO₂e emissions reduction.

LPG Auto

Galp Energia has been one of the players that has done most to encourage the use of LPG Auto, as this is currently the most competitive fuel in terms of price and the most efficient from an environmental point of view. Compared with petrol, LPG Auto:

- Reduces NO_x and particulate emissions, and these are the pollutants that cause the greatest concern in terms of air quality, particularly in towns and cities;
- Reduces CO₂ emissions by 10%.

4.4.6 Innovation, research and promotion of efficient technologies

We try to promote research, development and the implementation of innovative services and solutions in order to improve energy efficiency in operations, clients and business partners.

Here are some projects and initiatives we began or continued in 2014:



Smart Galp

The Smart Galp project is an innovative solution for monitoring energy consumption, which allows residential customers to access a monitoring service for electricity, natural gas and fuels,

through an interactive online portal. The pilot project lasted three years and involved several Galp Energia employees. This project managed to cut CO₂ emissions by up to 10%.

See more about this project in chapter 4.6.3 Projects with our stakeholders.



Galp ProEnergy SME programme

In conjunction with business partners from the Association of Energy and Environment Agencies (RNAE - national network), Instituto de Soldadura e Qualidade (ISQ) and Sair da Casca, Galp Energia launched Galp ProEnergy,

an energy efficiency programme for small and medium-sized enterprises (SME). This is an energy efficiency programme that aims to encourage a change in behaviour regarding energy consumption in SME, through training programmes for 750 companies.

Objectives and advantages of Galp ProEnergy

Lower fuel bills: with the change in behaviour and the implementation of energy efficiency measures, it is possible to reduce energy consumption and the electricity bill without affecting normal company operations.

Training without costs: by participating in the programme, companies get five hours of energy efficiency training, which provides them with knowledge that can lay the foundations for implementing efficiency actions.

Implementation with local support: after participating in the training programmes, the companies can contact the energy and environmental agencies from each region to get advice about the best practices to adopt to initiate an energy efficiency plan.

Recognition: all the companies that join get a certificate attesting their attendance of the Galp ProEnergy energy efficiency programme. The SME that get the best marks in implementing their energy efficiency plan will be awarded a Galp ProEnergy seal that recognises their effort in promoting energy efficiency in their company.

Biofuel production

Enerfuel operated for 12 months in 2014, complying with 97% of the production quota awarded by the Portuguese government. Its production surpassed 11 kton, equivalent to a reduction in GHG of around 84% compared with mineral diesel. In 2014, as a result of directly replacing mineral diesel with biodiesel produced by Enerfuel, from used oils and animal fat, the GHG reduction was about 49 kt of CO₂e.

At Belém BioEnergia, we planted 41,506 ha.

Ventinveste

Through a subsidiary, Ventinveste, and within the scope of the already existing wind farm project, we established a series of agreements with suppliers and financial entities in order to build four wind farms with an overall installed capacity of 171.6 MW. The project, called Âncora, represents an overall investment of €220 million.

The construction of the wind farms began in late 2014 and should be completed in phases by the end of 2016.

Ventinveste, jointly owned by Galp Energia and Martifer, controls 50% of the Âncora project.

	2014
Electricity production from renewable sources (MWh/year)	35,730
Emissions avoided [tCO ₂ /year]	14,739
NG and coal imports avoided [€/year]	1.7

Case Study - International certification in sustainability and carbon - Galp Spain

In order to bolster the commitment conveyed by GALP's "Looking into the Future" values, Galp Spain certified the Valencia and Gijón facilities using the International Sustainability & Carbon Certification (ISCC).

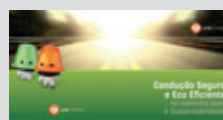
The ISCC system was recognised by the European Commission as one of the first certification systems in line with the Renewable Energies Directive 2009/28/EC, of 23 April 2009, that intends to apply a common framework to the production and promotion of energy from renewable sources.

This initiative is a result of EU commitments to ensure compliance with the requirements of the Kyoto Protocol pertaining to energy consumption control and to the best use of energy from renewable sources, as part of the package of measures needed to reduce GHG.

4.4.7 Anticipating trends and stakeholders' expectations in energy and climate matters

At Galp Energia we have several mechanisms to anticipate the trends and expectations of stakeholders in energy and climate matters. We do so, namely by listening to stakeholders, by participating in work groups and discussion forums, and through transparent reporting on matters related to climate change.

We thus include the issue of climate change in the process of involving and accompanying stakeholders, so as to align strategic priorities in this matter with stakeholders' most important expectations. Consequently, we have developed various training and awareness programmes with our stakeholders.



Eco-driving

In order to encourage more sustainable urban mobility and to make the public aware of the environmental impacts, we have created a leaflet that aims to promote more efficient, ecological and safer driving habits. This initiative is aligned with the Galp Energia's climate change strategy, which is based on an action plan to develop solutions that reduce the carbon footprint of the Company's operations. In addition, and still within the scope of eco-driving, it is also worth highlighting the initiative to publish the GHG on the Company's vehicle website to encourage a sustainable choice of vehicle.

Galp Energia has planned to implement new eco-driving training and awareness programmes for its business partners during 2015.

Energy savings in Galp Energia's offices

In order to increase the value of its premises, Galp Energia has tried to apply the best solutions in terms of energy efficiency, particularly regarding the optimisation of its resources. Therefore, measures are implemented every year to optimise its buildings. With the replacements made in 2014 we now have energy savings of over €20,000, corresponding to 143 MWh and 51 tonnes of CO₂ emissions avoided. We are developing other energy efficiency projects, namely the energy and environmental renewal of the refrigeration and ventilation equipment in the technical rooms.



"Save more than fuel" initiative

Galp Energia, as a member of FuelsEurope, participated in the "Save more than fuel" initiative, run by FuelsEurope and the European Commission, identifying 10 tips

to help drivers drive more efficiently.

Energy insights 2014

Galp Energia gathered business clients to discuss the energy market at the Energy Insights 2014 conference, which it organised through the Gas & Power unit. The session focussed on the main trends in the international energy market, the structure and working model of the Iberian electricity market, the differentiation in sales relations from a business partnership perspective between clients and Galp Energia, and the energy cost structure in the business segment.



Participation in working groups and discussion forums

We are a habitual presence at working groups and discussion forums to anticipate the impact of industry trends and ensure active participation in policy-making processes in the context of climate change.

Some of the accredited entities within which we were active were IOGP, FuelsEurope, CONCAWE, APETRO, among others. For additional information on the more relevant Galp Energia participations, please refer to chapter 4. **How do we tackle them?**

Our participation favours the sharing of privileged knowledge about best practices and industry directives, minimising the risk associated with political decision-making processes. In this area, we also participated in the development of European legislative frameworks we believe to be strategic: Energy-Climate Package; Fuels Quality Directive; EU ETS, among others.

The CDP and the answer to institutional investor expectations

In order to satisfy the expectations of institutional investors along with other stakeholders, and to identify any opportunities on the issue of climate change, Galp Energia has responded to the CDP's Climate Change Information Request since 2011.

The CDP is an international non-profitable organisation that is the largest and most complete global system for disclosing information about carbon and climate change. It currently serves 767 institutional investors, which have \$92 billion in assets, helping companies and governments mitigate the risks that are inherent in using energy and natural resources, and identifying opportunities associated with a more responsible approach to climate change.

In 2014 we were once again part of the Climate Disclosure Leadership Index (CDLI) for the third year in a row. We were the best company in the energy industry in the Iberian Peninsula, with a maximum score of 100 points.

GALP ENERGIA'S SCORE IN CDLI



4.5 Ensuring the protection of the environment, people and assets

4.5.1 Our vision and strategy

Galp Energia accepts the challenge of being a benchmark company in Health, Safety and the Environment (HSE) within the energy industry.

We aim to guarantee a sustainable culture of prevention based on Health, Safety and Environment management that reduces risks and promotes excellence in performance, demanding every employee's commitment, particularly that of leadership.

We communicate transparently, allowing all stakeholders to follow our progress.

Galp Energia's HSE Vision, approved by the Executive Committee on 18 January 2013

Health, Safety and the Environment are fundamental values to be promoted and preserved in our strategy and activities, values that we transform into a commitment for all employees and service providers.

Our corporate policies and directives define our management guidelines, which are reflected throughout the Organisation and allow us to commit ourselves to developing our operations, ensuring the protection of people, the environment and our assets.



Our action strategy is founded on the principles defined in our vision and policy on Health, Safety and the Environment and it is supported

by implementing the requirements defined in the G+ System, our corporate HSE management system.

Learn more about the G+ System and Galp Energia's HSE strategy on our website. If you are reading the PDF version of this report, click here

In addition, our actions are based on an integrated approach to the various dimensions of risk we are subject to, developed according to a series of cornerstones, which, jointly, make up the foundations of continuous improvement and value creation.

“...Integration of environmental, quality and safety standards and requirements into our business cycle and our operations, ensuring performance excellence and the minimisation of risk...”

Carlos Silva, Executive Director

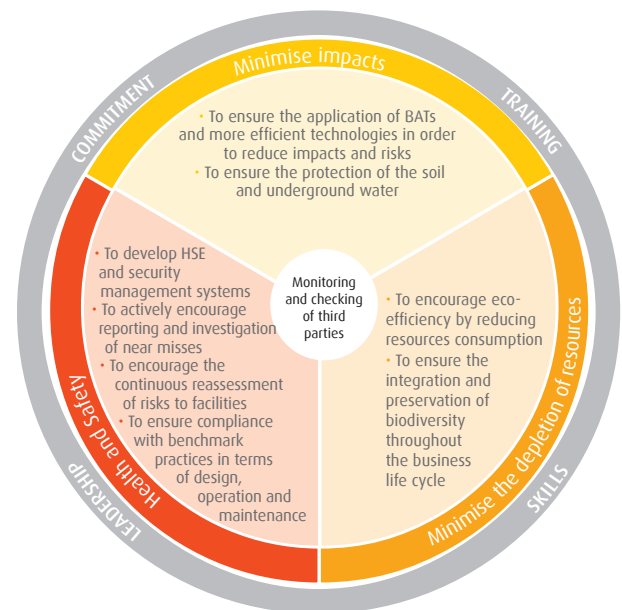


Our HSE objectives and main goals

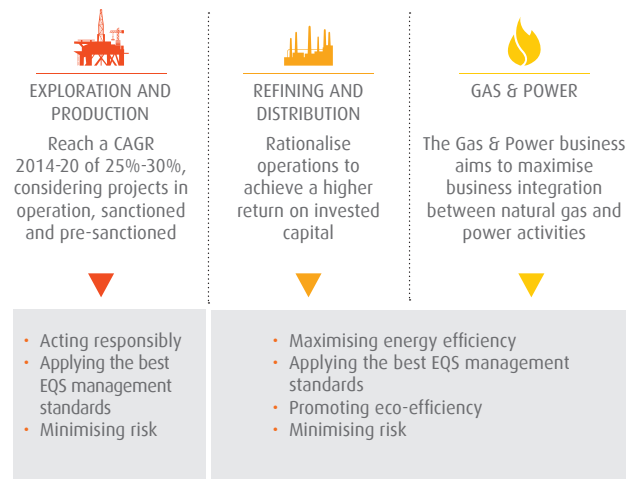
- We have a goal of zero personal, property and environmental accidents.*
- To be a benchmark in the industry in 2020 regarding the accident rate index.
- To ensure the implementation of the G+ system into all of our operations.
- To consolidate the downward trend in resource consumption by activity.
- To maintain the downward trend in atmospheric emissions by activity.
- To increase the proportion of recycled waste.
- To reduce the loss of containment, maintaining zero accidents with environmental damage.*

* (with significant impact – classes 3 and 4)

THE HSE STRATEGY AND CRITICAL SUCCESS FACTORS



HOW DO WE DO THIS?



4.5.2 Health, safety and environment management

The G+ System

The G+ management system responds to the principles laid down by Galp Energia in its HSE policy. Its requirements are expressed in the 22 elements listed in the internal HSE framework, including the social side from the perspective of the direct effect of operations.

This management system, which can be applied to operations and activities we are liable for, allows us to identify, manage and minimise the risks that are inherent in the operation of all the phases of the life cycle of our activities, products and services. The business and management units have plans to implement the G+ System, their level of achievement being monitored by top management and KPIs being set every year.

In addition, the proper implementation of the said system is also checked through audits.

We also try to establish guidelines, applying the best practices and industry benchmarks to attain excellence in HSE and to contribute towards a more sustainable development of Galp Energia’s operations. These guidelines give substance to the complete and structured regulation of our activities, together with an indispensable management commitment and liability down the chain of command. These are two of the G+ System components that safeguard the integration of health, safety and the environment into the Company’s operations and strategy.

We exercise this commitment in all our decisions and we are pledged to manage the impacts of our activities, products and services on the health, safety and environment of our clients and the community.

“We are committed towards the EQS policies, which signifies implementing strategic management systems, the G+ System and the Q2C, and developing an EQS culture guided by operating excellence.”

Luís Palha da Silva, Executive Director

Auditing and Compliance

At Galp Energia, the Environment, Quality and Safety (EQS) audits are an extremely relevant management tool for controlling risk.



The audit results are sent to the top management and the respective key performance indicators are included on the balanced scorecard (BSC) of the organisational units.

42 AUDITS	▶	53 INTERNAL AUDITORS	5 EXTERNAL AUDITORS
447 AUDIT FINDINGS	▶	162 NONCONFORMITIES	285 OPPORTUNITIES FOR IMPROVEMENT
625 ACTIONS	▶	227 CLASSIFIED AS CORRECTIVE ACTIONS FROM NONCONFORMITIES	

In 2014 measures were taken to implement a more efficient follow-up process of the actions triggered by audits. Some of the main management indicators revealed a positive development in the results achieved, namely the delayed actions ratio indicator, which was 13% in 2014, and the degree to which actions were implemented following audits, which was 88%. The figures for both indicators this year were the best since the said indicators were first measured. This development reflects the growing involvement of management and the inclusion of these indicators in the BSC of the units, thus acknowledging the importance of audit processes in minimising risks and improving performance.

DEGREE OF IMPLEMENTATION OF ACTIONS TRIGGERED BY AUDITS



Certifications

Galp Energia obtained two new certifications and merged the six former NG distribution EQS systems into a single system, now complying with a total of 35 standards, in the areas of the environment (ISO 14001), quality (ISO 9001), safety (OHSAS 18001), energy (ISO 50001) and laboratories (ISO/IEC 17025). By obtaining new standards and carrying out regular audits, performed by a team of qualified internal auditors that meet strict criteria, the Company is fulfilling its commitment to continuous improvement in its activities.



In 2014, we also renewed our 3R⁶ certification for the Sines Refinery and Lisbon offices. This certification is a voluntary environmental certification programme organised by Ponto Verde Serviços, geared towards entities that intend to adopt more sustainable environmental practices in their waste management.

At the Sines Refinery we obtained a multimaterial separation rate of 76% (62% paper waste stream, 10% glass waste stream and 4% plastic waste stream). Our goal is to achieve a recycling rate of 83% (62% paper waste stream, 10% glass waste stream and 11% plastic waste stream).

4.5.3 Environmental protection

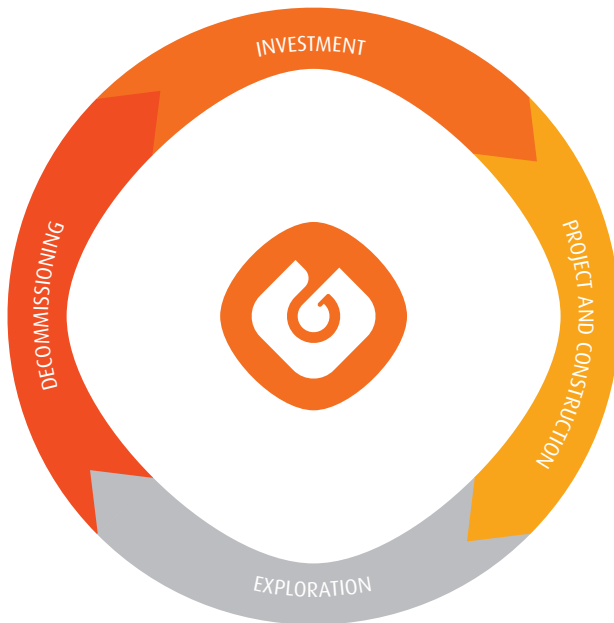
Galp Energia considers environmental conservation a crucial task, integrating it into its operations from the design and planning stage to the end of the life cycle of its facilities, equipment and products.

Galp Energia guarantees environmental protection by controlling all the operations and interactions with the environment:

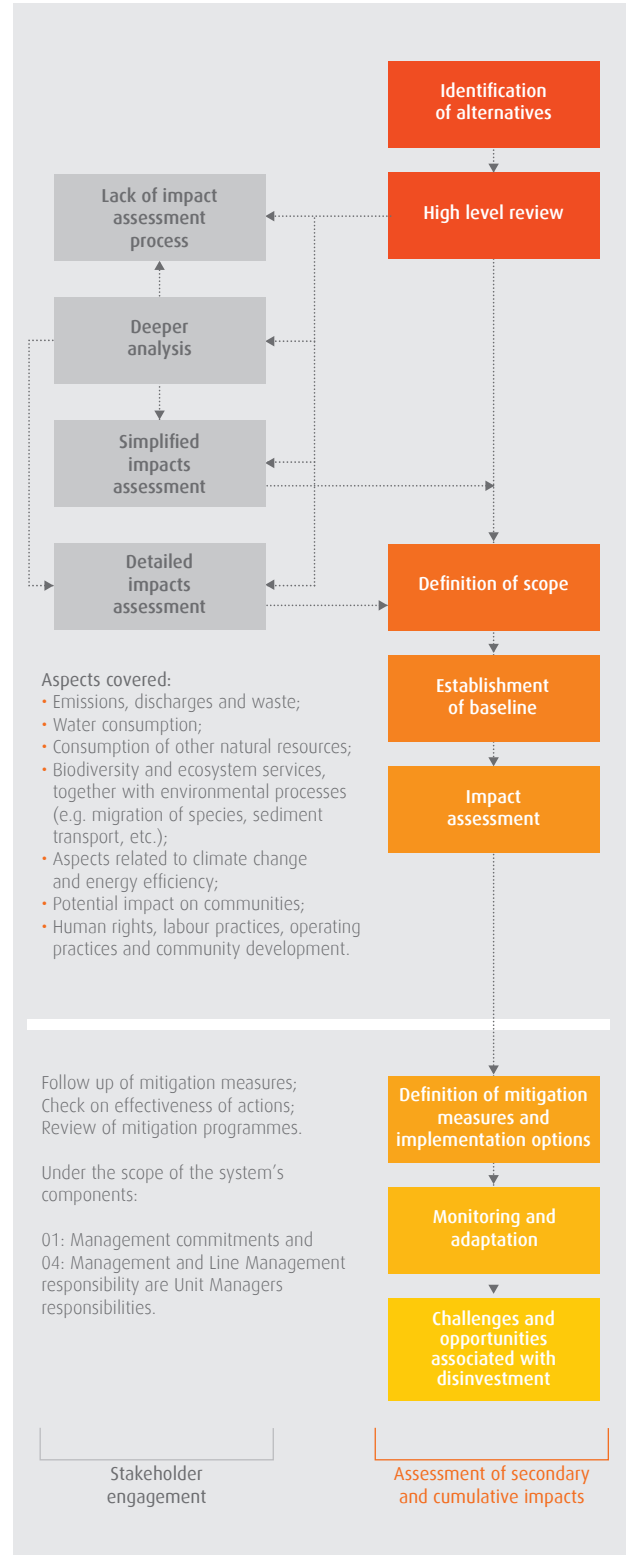
- I. Optimising resources consumption
- II. Controlling atmospheric emissions
- III. Controlling wastewater discharges
- IV. Preventing and mitigating potential impacts of loss of containment
- V. Controlling environmental noise levels in facilities

Impacts assessment and management

Our approach to the Environmental and Social Impacts Assessment (ESIA) of our activities, products and services encompasses their respective life cycles, as well as the identification of the aspects of corporate responsibility and the involvement of the interested parties.



Whenever necessary, these processes are applied to projects, activities, products and even changes in technology and facilities.



Biodiversity

In Galp Energia we value the conservation of biodiversity and we aim to minimise the impact of our operations. To do so, we make sure we integrate the biodiversity component into the development of our projects, as well as in all the phases of their life cycles.

To consolidate and harmonise our approaches and to reinforce internal know-how about biodiversity in upstream activities, in 2014 we published two supplements to the Biodiversity Management Good Practices Guide, focusing on E&P operations. These guides bring together the best practices and guidelines for the *Selection of Project Sites Upstream*, and for the due *Assessment of Environmental and Social Impacts* of the said projects.



With regard to biodiversity, in 2014 we also renewed our survey of biodiversity protection and conservation areas surrounding our facilities, applying the Integrated Biodiversity Assessment Tool (IBAT). This systematic approach lists 74 Galp Energia sites, taking into consideration the following important areas in terms of biodiversity.

- International Union for Conservation of Nature (IUCN) protected areas;
- Key areas for biodiversity;
- Areas of the Rede Natura 2000;
- Ramsar areas;
- Alliance for Zero Extinction (AZE) areas;
- UNESCO World Heritage.

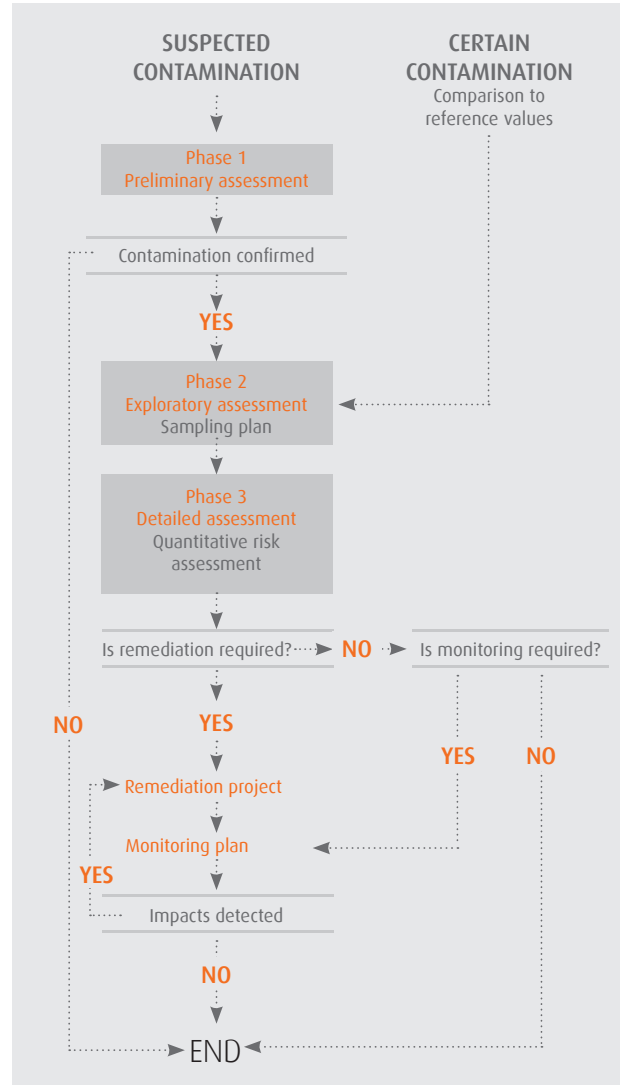
For further information visit our website. If you are reading the PDF version of this report, click here

Soil and water resources

Acknowledging the importance of its operations in the preservation of water resources and soils in the sites it operates, Galp Energia has drawn up action plans to respond to these issues.

Internal standards and procedures are in place for the sustainable management of soil and water resources, establishing methods that are in line with internationally recognised good practices and the expectations of the relevant authorities and other stakeholders. From the integrated perspective of the life cycle of our facilities, soil and water resources are protected by means of correct management of contaminating products, waste and wastewater, prevention of incidents and preparedness to respond to emergency and crisis situations, guided by the principle of responsible action in the event of a possible threat of environmental harm.

The flow chart on the right shows the general methodology for assessing the quality of the soil and/or groundwaters and the management of sites, applied after the occurrence of an event that could cause contamination.



In the last two years, Galp Energia, together with APETRO and the rest of the association members, has made efforts to enhance technical developments with regard to the protection of soil and groundwaters at national level.

Environmental Provisions

In 2014, €113,381 k were provisioned for the protection of soil and groundwaters, as well as for the abandonment of E&P blocks.

Provisions (k€)	2013	2014
Environment	3,781	2,021
Abandonment of E&P blocks	88,227	111,360

CASE STUDY – Soil remediation at a service station in Portugal

Galp Energia has a set of manuals and procedures to guarantee the correct response in the event of a suspected loss of mechanical integrity and consequent loss of containment.

Therefore, as soon as a problem is detected at a service station, the procedure below is implemented.

- Activation of the Internal Emergency Plan and undertaking of tests to check for leaks in the piping and reservoir.
- Communication of the event to the Portuguese Environmental Agency (APA), the regulatory entity in this field.
- Definition and implementation of the most suitable remediation methodology to restore the baseline situation.
- Quantitative risk analysis (using RBCA Tool Kit for Chemical Releases software) to define targets for soil remediation, in line with the established baseline.

The remediation process involves the application of the best available techniques (BAT), split into three phases: 1st phase – elimination of hydrocarbons phase; 2nd phase – infiltration/extraction; 3rd phase – elimination of VOCs (volatile organic compounds).

On achieving the remediation target values, the monitoring process continues for another two years, and is finished after the relevant entity issues an assessment whereby “the state of the water body in question is not affected and as such there is no environmental damage to the water or sufficient probability of such occurring in the near future”.

At the moment a monitoring campaign is ongoing, with a periodic sampling campaign to guarantee the suitability of the solution applied.

As a good practice and with a view to mapping the current and future water risks linked to our facilities, Galp Energia continues to periodically apply the Global Water Tool (GWT) developed by the International Petroleum Industry Environmental Conservation Association (IPIECA). In this last year, within the scope of the study there were 74 Galp Energia sites - 100% of our operating facilities and also the facilities where we are not yet physically operating.

Fewer than 5% of the Galp Energia sites are located in areas of water scarcity.

Check Galp Energia’s interactive map on water and biodiversity risks on our website. If you are reading the PDF version of this report, click here 



Waste management

One of our priorities is to reduce waste and the hazard it poses to the environment, while striving to increase the proportion of the waste that can be recycled.

Our company follows integrated waste management procedures, encouraging:

- The integration of the three aspects of sustainability in waste management;
- The implementation of methods to analyse the life cycle of products, activities and facilities;
- The integration of risk assessment methods into waste management.

Atmospheric emissions and energy consumption

Galp Energia encourages the efficient use of energy, integrated implementation of processes and technologies, selection of fuels that minimise atmospheric emissions, and application, whenever possible, of end-of-line technologies to avoid the emission of pollutants.

The impact of atmospheric emissions from our operations is continually monitored, taking into consideration the air quality and sensitivity of the surrounding area.

The refineries, which are the units that make the largest contribution to the overall value of Galp Energia’s emissions, set objectives and targets associated with the main pollutants, in order to maintain the downward trend in atmospheric emissions in proportion to operational level.

Control and reduction of atmospheric emissions in the refineries

In order to make its operations and products increasingly sustainable, Galp Energia has been implementing the best available techniques for the reduction of atmospheric emissions in its refinery operation.

- Optimisation of combustion systems.
- Adjustment to the fuel portfolio.
- Integration of nitrogen oxides into the FCC unit.
- Integration of the new fuel specifications, minimising the environmental impacts when using the commercialised products.
- Establishment of objectives and targets based on key performance indicators (KPIs).

-70%
NO_x emissions *

-71%
SO₂ emissions *

-59%
Particulate matter *

*since 2009

Environmental performance

DIRECT ENERGY CONSUMPTION PER PRIMARY SOURCES (TJ)
(SCOPE 1)



PURCHASE OF ELECTRIC ENERGY (TJ) (SCOPE 2)



TOTAL CONSUMPTION OF RAW WATER (10³ m³)



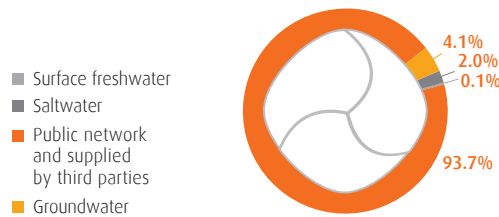
PRODUCED WASTE (t)



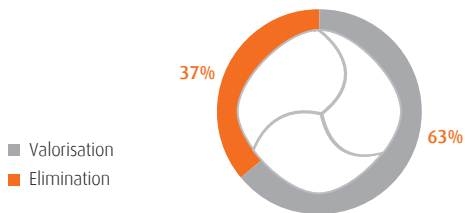
TOTAL WASTEWATER (10³ m³)



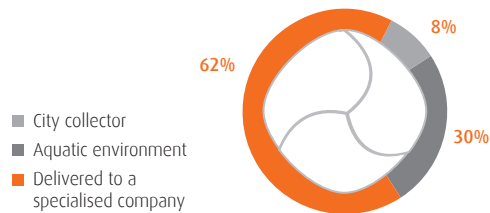
WATER CONSUMPTION PER SOURCE



FINAL DISPOSAL OF PRODUCED WASTE



FINAL DESTINATION OF PRODUCED WASTEWATER



Indicator	Δ Homologous			
	2012	2013	2014	2013
Direct energy consumption per primary source (TJ) (scope1)	44,506	48,919	44,922	-8%
Purchase of electric energy (TJ) (scope 2)	944	1,781	1,862	5%
Total consumption of raw water (10 ³ m ³)	9,370	12,342	10,058	-19%
Total wastewater (10 ³ m ³)	5,283	5,691	5,562	-3%
Produced waste (t)	33,012	20,631	22,680	10%
No. of loss of primary containment that reached the environment ¹	11	20	11	-45%
Volume of loss of containment that reached the environment (m ³) ¹	45	30	10	-67%
GHG emissions under the EU ETS (t CO _{2e})	2,891,941	3,874,161	3,211,746	-17%
Total NO _x emissions (t) (scope 1)	2,506	2,145	1,295	-40%
Total SO ₂ emissions (t) (scope 1)	13,205	7,508	5,134	-32%
Total particulate matter emissions (t) (scope 1)	463	350	243	-31%
Gas flaring – E&P (m ³)	810,969	1,638,336	1,360,737	-17%
CO ₂ emissions – Flaring E&P (t)	N.D.	4,039	3,354	-17%

¹ It does not include the incident that took place in a supply vessel of one of Galp Energia's participated companies, in Cape Verde.

Sustainability in E&P

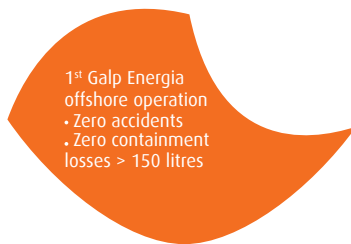
In 2014, as operators, we designed new solutions, practices and responsibilities in order to:

- Ensure compliance with HSE requirements in all contracts;
- Guarantee the application of critical safety procedures;
- Guarantee suitable emergency response plans are in place;
- Support the operational line in order to achieve zero accidents.

As non-operators, in our role as active non-operating partners, our strategy comprises tracking and influencing the projects throughout their entire life cycle, from the design, construction and operation phase to the decommissioning and abandonment phase, in order to guarantee the implementation of the best available HSE techniques and practices.

Morocco Project

In 2014, the first offshore operation took place in Morocco, in which our Company was an active operator. The implementation of the best available practices and techniques in the sector was guaranteed, resulting in excellent HSE performance and complying with the zero accidents objective, given that no significant accidents were recorded.



As operators, our operations were planned to prevent accidents and guarantee operational excellence. In relation to accident prevention, great emphasis was put not only on HSE training and dissemination, covering all the employees involved, whether our own staff or service providers, but also on the strict application of critical procedures, such as work authorisations, risk analysis of the tasks, working at height and change management. Procedures were also implemented to guarantee the safety of all the parties involved during all phases of the project, duly adapting the principles of *Travel and road safety procedures*; *Travel Guide*/ *Insurance*/ *Journey management plan*.

Furthermore, the availability of all the operational and management resources to deal with problem situations was guaranteed, which involved the development, training and testing of the following procedures.

- Emergency plans including spill responses.
- Permanent medical evacuation plan (MEDEVAC).
- Evacuation plans.
- Crisis management.

The operation environmental and social management followed the principles established in the environmental and social impacts assessment. This assessment took place at the start of operations and included a public consultation process, prior to approval by the authorities and the issue of the environmental licence. In addition to the good performance in these components, the implementation of the defined waste management plan is noteworthy, the main goal of which is to minimise the quantity of waste generated and the potential impact on the health of the community and the environment, guaranteeing the maximum quantity of reused and recycled waste.

Petrogal Brasil – onshore activity (Rabo Branco)

In November 2014, the drilling campaign began in the Rabo Branco onshore field, located in the Sergipe Alagoas basin, in Brazil. The work started after obtaining the prior drilling licence, which was based on the analysis by the authorities of the Environmental Impact Study (EIS), delivered in 2013. All operations were carried out in line with HSE standards and good practices, so as to guarantee the safety and well-being of the employees, the local community and the environment. As such, the following practices are highlighted:

- weekly inspections (safety tour) to identify and correct abnormal situations and to reinforce good practices;
- undertaking of daily safety talks with the entire workforce, including subcontracted staff;
- compulsory safety initiation for all staff members;
- permanent provision of information accessible to all the staff members working in the active operation and on the following operation.

As for the environment, the waste produced during the drilling was managed in accordance with the solid waste management plan, approved by the Brazilian entity for the Administration of the Environment (ADEMA) of the State of Sergipe Alagoas, in the environmental licensing process. All the gravel resulting from drilling operations (the highest proportion of the waste generated by this operation) was processed and transported by a duly licensed company to the final destination.

Mozambique Project

The Mozambique project is carried out in two areas: offshore and onshore.

In relation to the offshore component, in 2014 the consortium for the exploration of Area 4 in the Rovuma basin carried out an environmental pre-viability study, which also defined the scope for the EIS of the liquefied natural gas floating factory project. In this phase of the project the main goals were as follows:

- Identify problems and concerns about the proposed project;
- Analyse the project alternatives;
- Identify possible failings;
- Identify and describe the questions that require a more in-depth investigation during the EIS;
- Develop the terms of reference for the EIS;
- Present the proposed development to the interested parties.

The project was designed based on the best practices of the sector, such as the IOGP references for HSE including:

- Environmental aspects concerning the use and disposal of non-aqueous drilling fluids linked to gas and oil operations in deep waters;
- Environmental management in gas and oil prospecting and production;
- Development and application of HSE management system;
- Management of waste resulting from prospecting and production;
- Management of social issues in gas and oil projects.

This project aims to achieve a maximum liquefied natural gas production of approximately 2.9 million tonnes per annum.

With regard to the onshore project, in 2014 the Environmental Impact Assessment Report (EIAR) was approved. The EIAR describes the process aimed at identifying, assessing, mitigating and managing the biological, physical and socio-economic impacts of the project.

Prior to obtaining this approval, an Environmental Impact Assessment (EIA) was carried out with the following goals:

- Assess the potential impacts of the project and respective activities in the biophysical and socio-economic fields;
- Suggest measures to mitigate or minimise the negative impacts and to strengthen the potential benefits; and
- Inform people about the importance of the residual impacts that will remain after mitigation.

This assessment includes both specialised studies to establish the current reference situation, and the EIAR report and an environmental and social management plan. Within the scope of this process, and with a view to public participation in the EIS phase, public sessions were held with the interested parties.



4.5.4 Safety

We aim to comply with the goal of zero accidents in our operations, ensuring proper health and safety conditions for all our staff and service providers, safeguarding our assets and ensuring the protection of surrounding areas.

Safety is one of Galp Energia's values. As such, we consider it an indispensable tenet and make sure that safety is above all a belief that serves as a guide for the behaviours, attitudes and decisions all members of our Organisation adopt.

We outlined the following as priority areas:

- Leadership and organisational culture;
- Accident prevention;
- Risk management in all phases of the life cycle of our operations;
- Change management in facilities, technologies and human resources; and
- Guarantee of the mechanical integrity of the facilities.

We count on the skills and capacities of our workforce and business partners as the bedrock on which to fulfil our commitments and responsibilities.

We believe that the safety of our facilities and operations begins in the project phase, when the risks are identified and analysed, so as to implement technically suitable solutions to eliminate or reduce such risks to acceptable levels.

We define our action plans taking into account the following safety performance categories:

ZERO ACCIDENTS

Personal safety
Our ambition is to reach zero accidents, so Galp Energia works non-stop on prevention, but it is essential that everyone acts according to the best safety practices and the established procedures.



Road safety
Galp Energia promotes road safety by adopting a safe driving policy and by establishing high standards in its products transportation.



Process safety
The safety of facilities and operations, and the respect for the environment and surroundings where we operate are critical objectives for Galp Energia.



Product safety
Galp Energia is concerned with minimising the impacts and hazards that its products may cause or generate over their life cycle, from their design to making them available to the end consumer.



“Using risk and environmental impact mitigation measures that allow us to grow in a sustainable manner, and to create in the present without compromising future generations.”

Ricardo Manzoni, Engineering and Project Management Department

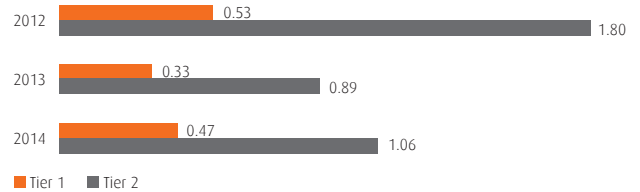
No. OF HOURS OF ENVIRONMENT AND SAFETY PREVENTIVE OBSERVATIONS



Process safety

To guarantee the integrity of our assets, in all phases of their life cycle (design, project, operation, maintenance and decommissioning), we apply the best practices and techniques, operating the facilities so as to reduce and minimise risk.

Analysing the recent changes in performance pertaining to process safety, one can see that the rate of events per million worked hours, both for Tier 1 and Tier 2, is stable at the average CONCAWE figures.



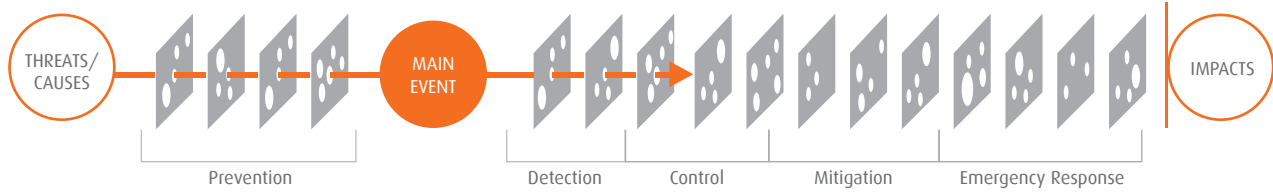
Our facilities are regularly audited and surveyed by third parties.

Throughout our supply chain we define and apply procedures and measures to minimise the occurrence of unplanned events, namely loss of containment or other kinds of dangerous events.

As such, we follow our framework, the G+ System, which fosters operational excellence. This system ensures mechanisms and processes are in place that minimise the risk to operations, whereby, should an undesirable event occur, it will be detected in time, and its consequences will be controlled and mitigated. Whenever necessary, emergency response measures are activated, the training of which can be carried out at each facility.

At Galp Energia, we recognise that an accident with serious consequences is often the result of failings in the various barriers activated between the initial incident and the consequences it can create.

SAFETY - BARRIERS ACCIDENT



These barriers are activated in the prevention, detection, control and mitigation stage, and also in the emergency response, in each of the following aspects.

- Staff – guaranteed training/competence.
- Processes – updated procedures in place, which include expeditious and safe working practices.
- Assets – mechanical integrity and respective verification plan.

“Day-to-day safety is everyone’s responsibility.”

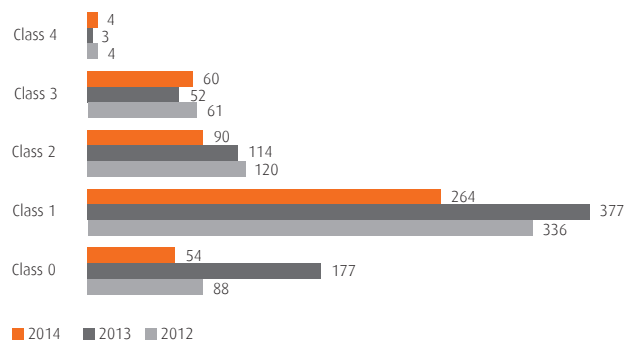
Luis Delgado, Iberian Retail

Safety performance

With regard to safety performance, in 2014 we would like to highlight the following.

- No fatalities (class 4 personal accidents) in employees working for Galp Energia.
- An increase in the frequency rate of accidents leading to lost workdays (class 3 personal accidents). This increase was duly investigated, and we arrived at the conclusion that it was caused by slips, trips and falls in the non-industrial segment of distribution and commercialisation of oil products. A plan is being implemented to reduce this kind of accident.
- Encouragement to report near misses, in order to engender a culture of safety and consolidate the elimination of root causes.

Four Class 4 property damaging accidents were registered and duly investigated, and it was concluded that the reasons they occurred were unrelated to Galp Energia. Another accident of the same class occurred, with a supply vessel in one of the Group’s subsidiaries, in Cape Verde, which led to the loss of 80 m³ of product.



ACCIDENTS AT GALP ENERGIA

	2012		2013		2014	
	Accidents resulting in lost workdays	Frequency rate	Accidents resulting in lost workdays	Frequency rate	Accidents resulting in lost workdays	Frequency rate
Employees	20	1.7	16	1.4	26	2.0
Contractors	10	0.9	5	0.5	8	0,8
Both employees and contractors	30	1.3	21	1.0	34	1.4

The scope of the safety performance indicators includes the Galp Energia universe, except for the Biofuels business unit and the non-operated E&P blocks. In 2014 we started to include data from the Galp International business unit and from the operated E&P blocks.

GALP ENERGIA’S EMPLOYEES

	2012	2013	2014
Absenteeism (%)	2.4	2.4	2.5
Fatalities (No.)	0	0	0
Occupational illnesses (No.)	0	0	0

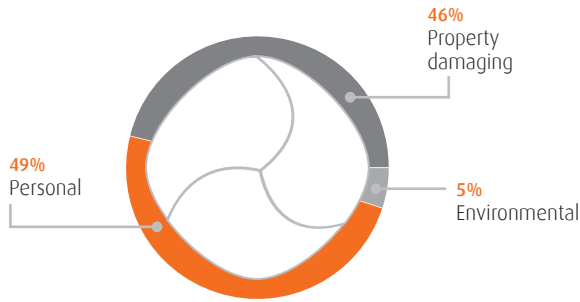


HSE Notifications

After analysing the causes of the different events, we define plans of action aimed at avoiding their recurrence. We also release HSE notifications in order to disseminate lessons learned to other areas of the Company and to service providers. We do not learn only from our

incidents, but also from the occurrences in partner companies and in the industry as a whole.

INCIDENTS BY TYPE



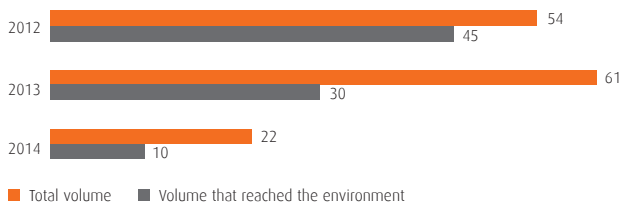
Loss of containment

Galp Energia takes measures in several areas to minimise loss of containment cases. Prevention is the basis of our action, and we put significant emphasis on it. We have established principles and directives to guarantee an appropriate risk analysis, as well as the mechanical integrity of the equipment.

Furthermore, we have invested strongly in internal communication, which involves both training and awareness raising campaigns, so that risks are recognised and proper preparation takes place in the event of an incident.

In the event of a product spill, we provide immediate response staff and equipment to control the occurrence. At Galp Energia reporting and monitoring tools and practices are in place for loss of containment.

LOSS OF CONTAINMENT VOLUME (m³)



We monitored the incident that took place at Enacol, and followed an action plan in line with our requirements pertaining to crisis management and incident reporting and investigation. The causes were pinpointed and measures are being implemented to prevent the repetition of these occurrences.

Product safety

At Galp Energia we have internal regulations to forbid and/or ensure suitable management of hazardous substances, raising awareness about their impacts among the staff and service providers.



Safety data sheets and labelling instructions convey safety information about the chemical products used and commercialised, their dangers and how they should be safely handled in view of the risks involved in their different uses.

In 2014, we thoroughly updated the material data safety sheets of the products we sell, guaranteeing compliance with the laws in force, namely the CLP regulations (pertaining to classification, labelling and packaging). When purchasing hazardous substances from our suppliers, we ensure that updated safety information about them is provided.

Moreover, in order to improve the basis of knowledge of the products and to continually reduce the inherent risks, we took part in the activities organised by European chemical associations and consortia.

4.5.5 Health management Strategy

In 2014 we defined the review of our health surveillance corporate strategy as a priority, ensuring the prevention of occupational risks and promoting health among all the employees of the Group.

This strategy was designed to optimise healthcare and increase the productivity, performance and motivation of the workforce, reducing absenteeism and helping attract and retain employees with the highest potential, and therefore obtaining a return on the investment made in this area.

CORPORATE HEALTH STRATEGY



We intend to implement an integrated health management in the Galp Energia Group, and in the 2015-2017 period we shall:

- analyse and diagnose the situation in all our locations;
- review the corporate health strategy;
- develop an integrated health surveillance plan in accordance with the strategy and guarantee its implementation;
- identify and monitor the different reporting indicators.

INITIATIVES

Automatic defibrillator programme

Galp Energia has an external automatic defibrillator programme in the Lisbon's office buildings and medical centres, certified by the National Medical Emergency Institute (INEM). A doctor specialised in medical emergencies is in charge of the programme, but we have around 40 employees who are trained and certified to use the apparatus. In Portugal, cardiovascular illnesses are among the most serious health ailments amongst the population. Most avoidable deaths are linked to coronary disease and occur outside hospitals. The aim of the Company's external automatic defibrillator programme is therefore to improve the survival rate among sufferers of heart diseases of this kind.

Health and appointments for travellers

Given that the Company's business is expanding rapidly on a global scale, especially outside Europe, many of the Group's employees are frequent travellers. The occupational medicine services arrange an appointment beforehand with the occupational doctor (traveller's appointment) whenever the journey involves a trip outside Europe.

The inherent risks of these journeys can be minimised if the traveller acts in an informed and preventive manner, taking due precautions before, during and after the trip.

We also recently reinforced awareness initiatives on travel-related risks, in particular through the distribution of the Traveller's Manual and the dissemination of the main warnings issued, especially for employees travelling to destinations, such as Africa. Diseases such as malaria, tuberculosis, HIV and more recently Ebola have been tackled.

Awareness Raising Campaign: dengue fever and ebola

In 2014 Galp Energia carried out an internal campaign to monitor the Ebola virus epidemic, in order to inform employees about the precautions that should be taken. With a view to protecting all the employees who travelled in this period, restrictions were imposed on journeys to the affected countries.

In our operations in Brazil, campaigns were carried out to raise awareness in relation to dengue fever prevention.

Health surveillance

Galp Energia has an occupational health and safety policy to ensure the prevention of occupational risks and encourage health among all Group employees.

We monitor our employees' health, by carrying out suitable health tests in occupational medicine to check their physical and psychological aptitude to do the job in question.



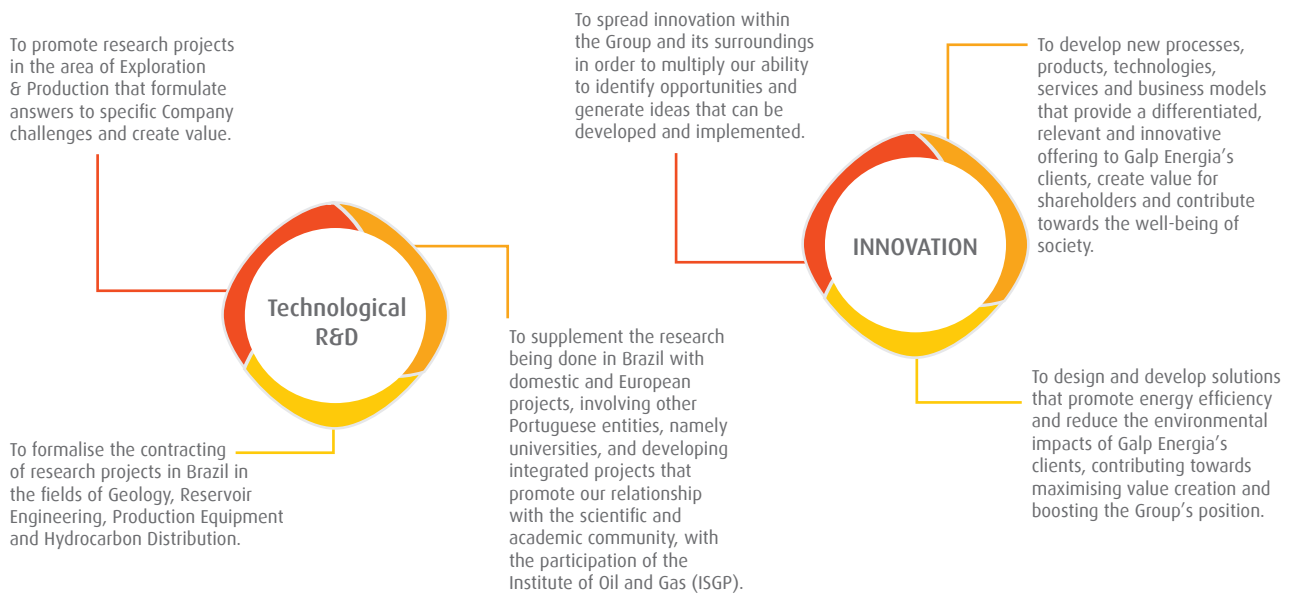


4.6 Promoting innovation, research and technological development

4.6.1 Innovation, research and technological development strategic plan

Promoting innovation, research and technological development is one of Galp Energia's fundamental commitments for creating sustainable value and medium

and long-term competitive advantages. As such, we have established a strategic plan, guided by and integrated into the business strategic vision, which outlines the following commitments for 2015:



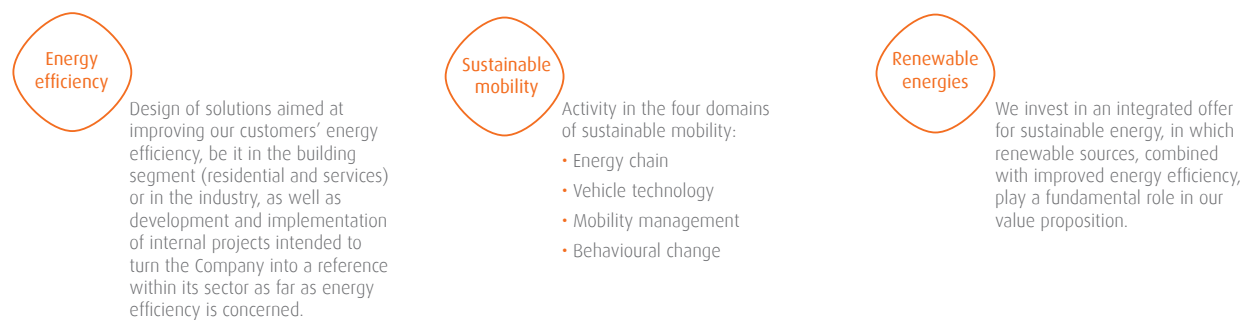
In November 2014, we organised a day dedicated to Galp Energia's technological challenges, in which several prestigious speakers took part, providing knowledge about:

- Technologies and markets;
- Exploration and production;
- Modelling, optimisation and efficiency;
- Systems and processes.

Innovation

The projects carried out in the area of innovation and energy efficiency, as part of the Research & Technology Department in our Company, are aimed at developing new business models, services, products, technologies and processes, in the following three main areas of activity:

SUMMARY TABLE OF MAIN AREAS OF ACTIVITY



4.6.2 Projects at our facilities

TOP REF

In 2014 the TOP REF project began, financed by the European Commission's 7th Framework Programme, aimed at increasing energy efficiency potential at the Sines Refinery. Together with Galp Energia, another nine entities are taking part in this R&D consortium.

The project consists of designing a system to simulate critical processes for energy efficiency at the refinery, through the creation of key resources indicators (KRI), methodologies and non-invasive tools, focused on developing the efficiency of resources in energetically intensive continuous industrial processes.

These methodologies and tools will allow TOP REF final goals to be achieved, such as:

- Increasing the potential for energy efficiency (by up to 5%);
- Reducing production costs (by up to 15%);
- Significantly reducing environmental impacts (CO₂ emissions, water footprint, pollutants, harmful emissions, etc.).

Energy efficiency in service stations

Since 2012 we have been implementing a systematic approach for the retail segment, aimed at introducing a set of measures that boost energy efficiency and, consequently, lead to a reduction of the carbon footprint of our service stations.

As such, in 2014 the conversion of the M24 stores into Tangerina stores was completed, as part of the direct management network, incorporating energy efficiency into the project through measures such as the replacement of 16 car-washing facilities.

From May 2013 to the end of 2014, of a total annual energy bill amounting to €3 m, we achieved:

- a saving of approximately 13% in electricity consumption;
- the avoidance of 2,200 tonnes of CO₂ emissions.

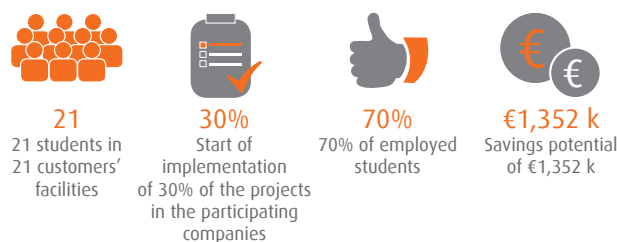
4.6.3 Projects with our stakeholders

Galp 20-20-20

In 2014 the 8th edition of the Galp 20-20-20 took place, the largest Portuguese energy efficiency research programme. It is a perfect example of the transfer of knowledge and innovation between the business world and the academic world.

Each year, the programme awards 21 research scholarships of €3,000 to 21 students to carry out projects at 21 clients chosen by Galp Energia in a range of sectors.

GALP 20-20-20



Galp Energia gave awards to energy efficiency projects designed as part of the Galp 20-20-20 programme

Galp Energia gave awards to the best projects from the Galp 20-20-20 programme in a ceremony attended by the Secretary of State for Energy, the Chief Executive Officer of Galp Energia, and the Executive Director in charge of innovation and links to the academic world. The award-winning projects involved energy efficiency studies carried out at companies from the most wide-ranging sectors of activity by students from the Universidade de Aveiro, the Faculdade de Engenharia da Universidade do Porto and the Instituto Superior Técnico.

SmartGalp – Tri-fuel approach

The SmartGalp project, mentioned in chapter 4.4 above, started in 2010 and is an innovative solution for monitoring energy consumption, which allows residential customers to access a monitoring service for electricity, natural gas and fuel consumption, through an interactive online portal. The project was financed by the FAI (Innovation Incentives Fund) and was carried out through a partnership between Galp Energia, MIT Portugal, CGI and ISA. The feedback from SmartGalp customers enabled us to conclude that the portal is viewed as a saving and monitoring tool. Users consider the portal interesting, innovative, appealing and user-friendly, as well as very useful for understanding their consumption and managing their bills.

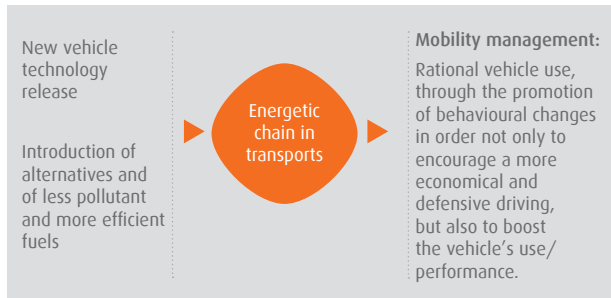


By monitoring results, SmartGalp is a tool that leads to actual savings. Although the savings are very dependent on how much the system is used, up to an 8% reduction in energy consumption can be achieved.

Sustainable mobility

In early 2009 Galp Energia began its sustainable mobility programme, a long-term project that involves different innovative initiatives geared towards boosting energy efficiency in driving.

In 2014, initiatives were carried out at several levels of the transport energy chain:



In this context, we maintained our partnership protocol with the Instituto de Engenharia Mecânica of the Instituto Superior Técnico, a protocol whose annual plan of action involves the following activities:

- incorporation of CO₂ emissions in the fleet management system;
- implementation of a manual of sustainable mobility good practices with on the road evaluation of the effect of fuel types used on consumption and emissions.

For further information on the sustainable mobility challenge, please visit our website. If you are reading the PDF version of this report, click here [↗](#)

4.6.4 Engagement with the scientific and technological community Institute of Oil and Gas

Created in 2013 by Galp Energia and by six of the largest and most prestigious higher education institutions in Portugal, the ISPG seeks to establish a link between the academic and business worlds. The scale of the initiative, as well as its goals, makes it an unprecedented project.

The ISPG aims to aid the development, transmission and dissemination of science and technology applied to the energy industry, especially with regard to oil and gas. The goal is to boost the competitiveness of the energy industries through the advanced training of technical staff and the creation of a cooperation network between companies, higher education institutions and other public and private R&D and industrial innovation entities.



Galp Energia and ISPG

The first Master of Science in Oil Engineering

On 31 March 2014 the first Oil Engineering MSc began, a pioneering initiative in Portugal, developed by the Institute of Oil and Gas and Galp Energia, together with the Scottish university Heriot-Watt. This university is a global benchmark institution for advanced training and the development of E&P solutions, with a strong engineering focus and specialisation in this segment of activity.

This master's degree aims to promote the advanced training of technical staff, the development of projects able to create added value in the consortia in which Galp Energia is involved, and the creation of a cooperation network between consortia, universities and other research bodies in the Oil & Gas sector.

• 1,800 enrolment applications: 1,500 from Portugal; 300 from Brazil.

• 21 students selected: 12 Portuguese, 1 Mozambican, 6 Brazilians, 2 Chinese.

The ISPG was the best International Academic Partner of Heriot-Watt's Oil Engineering MSc in 2014, thereby showcasing, from the very start, its high quality within the international arena of post-graduate education in the oil and gas sector.

Competitiveness and technology centres

Galp Energia founded the national Petrochemical, Chemical, Refining and Energy Competitiveness and Technology Centres (CTC), which were created within the scope of QREN's Compete Programme.

The CTC of the Portuguese Association of Petrochemical, Chemical and Refining Industries (AIPQR), which groups together companies, R&D centres and universities, aims to obtain critical economic mass as well as the capacity to attract cutting edge investment in the aforementioned sectors.

The Energy CTC placed special emphasis on sustainable mobility, renewable energy and energy efficiency. The founders and drivers of the centre were the companies Galp Energia, EDP, Efaced and Martifer, with support from the MIT-Portugal programme. The Energy CTC intends to help bridge the shortfall in national innovation processes, focusing strongly on clusters in areas, such as energy efficiency and renewable energy sources. Seeking a memorable benchmark identity, the centre adopted the name ENERGYIN, which is being registered in the European Union.

ENGIQ

In an unprecedented partnership in Portugal, the companies linked to AIPQR and the country's best universities created a PhD in Refining, Petrochemical and Chemical Engineering.

This PhD and Advanced Training programme has three different facets aimed at training highly-qualified professionals with different individual needs, so as to endow companies with in-depth specialist knowledge and human capital, thereby strengthening their competencies.

“Galp Energia places great importance on the PhD and Advanced Training programme, which fills a gap in the national training market, enabling the creation of critical mass for the scientific and technological development of the sector.”

Manuel Ferreira De Oliveira, Chief Executive Officer of Galp Energia

Fuel R&D Nucleus (Coimbra University)

Galp Energia established a partnership with the Universidade de Coimbra to create a fuel R&D nucleus, with one of the main objectives being the development of cleaner and more environmentally efficient fuel. Galp Energia also maintained its participation in working groups, conferences and sessions related to the topic of mobility.

Brazil R&D Programme

The R&D programme in Brazil began to be implemented in 2014, with four R&D technological programmes defined in the E&P area, namely:

- oil production in carbonate reservoirs that contain fluids with a high percentage of CO₂;
- modelling of carbonate reservoirs;
- guaranteed flow;
- production facilities and equipment.

Project applications for Brazilian universities were opened, in which 14 proposals were integrated into the initial group of research projects, costing an approximate sum of €11.7 m. The contracting processes with the winning universities from this first phase are currently ongoing.

Galp Innovation Network

The Galp Innovation Network is a web-based platform, linked to the National Science and Technology System, and aimed at collecting ideas for new and innovative processes, products and services, thereby creating value for Galp Energia's stakeholders.

The Galp Innovation Network allows performing a set of two-way activities, namely: learning about the business innovation challenges facing Galp Energia; submitting proposals for innovative projects to be carried out with Galp Energia; disseminating technologies and knowledge within the scientific community of the Galp Innovation Network; and learning how to create innovation and energy with Galp Energia.

For more detailed information on the Galp Innovation Network, please visit our website. If you are reading the PDF version of this report, click here 

4.6.5 Competitions and awards

Design competition

At the start of 2014, we launched a design competition for the development of a new gas bottle image, which was supported by the Portuguese National Association of Designers (AND) and the Portuguese Association of Marketing Professionals (APPM). This competition included two challenges of different natures in terms of their creativity and end purpose.

The first asked competitors to transform the bottles into design objects for display. The second required the competitors to come up with a proposal for the new image of the butane gas bottles that are sold in Portugal and Spain.



Best Student Paper Award

At the third ICORES 2014, the article entitled Managing Price Risk for an Oil and Gas Company, presented by Galp Energia and the Instituto Superior Técnico, won the Best Student Paper Award. This illustrates the positive results that can be achieved when the business and academic worlds work together to solve specific organisational problems.

Geographic Information Systems Innovation Award

Galp Energia won the Geographic Information Systems (GIS) Innovation Award attributed by ESRI Portugal. The award was given for the Exploration & Production work the Company has been carrying out, alongside ESRI, to develop a web-based GIS application, which can help identify areas with the biggest hydrocarbon potential.

Association of Energy Engineers attributes award to the Sustainable Campus project

The IST (Instituto Superior Técnico) Sustainable Campus project, in which Galp Energia takes part within the scope of the Scientific and Technological Cooperation for Energy Efficiency and Sustainability agreement, was attributed the International Energy Project of the Year 2014 award by the Association of Energy Engineers (AEE). The objective is to design a project to improve the energy efficiency of the IST facilities, as well as to create an energy efficiency knowledge laboratory.

Measures implemented and results achieved:

- Savings of 6.5% in electricity consumption on the Alameda Campus in 2012 (first year of the project), only in measures that have no investment costs.
- Exhaustive survey of the energy facilities in all the Alameda and Taguspark campus buildings.
- Analysis of the dozens of energy rationalisation measures, adapted case by case, on campus buildings.
- Development of computational simulation models for all the Alameda campus buildings, which in the future may be used by the whole IST community and for R&D work.
- Development of theses and practical lessons in subjects related to this topic, which include fieldwork by the students.
- Development and installation of two real-time energy consumption monitoring systems to measure the total consumption of the buildings and the proportion of HVAC used on human comfort.
- Better provision of the results from the energy consumption devices of each of the buildings, so that they can be consulted and used by the IST community.
- Implementation of an integrated project with the managers of the campus buildings, the Maintenance Department and the Building Works Department of the IST, aimed at making a collective effort to reduce energy consumption in the operating activities of the Alameda Campus.
- Creation of an energy efficiency knowledge laboratory: a forum to work on and debate ideas in order to deepen knowledge about energy efficiency, involving teachers, Galp Energia staff and scientific scholarship students.



05

Appendices

- 5.1 Appendix I – Assurance letter
- 5.2 Appendix II – GRI table – Key sustainability indicators
- 5.3 Appendix III – Global Compact table
- 5.4 Appendix IV – Notes on methodology
- 5.5 Appendix V – Other indicators
- 5.6 Appendix VI – Abbreviations, initials and acronyms

5.1 Appendix I – Assurance letter



To the Board of Executive Directors of Galp Energia, SGPS, S.A.

Independent verification of the sustainability information

(Free translation from the original in Portuguese)

Introduction

In accordance with the request of Galp Energia, SGPS, S.A. (Galp Energia), we performed an independent verification of the “Sustainability Report 2014” (Report). Independent verification was performed according to instructions and criteria established by Galp Energia, as referred in the Report, and according to the principles and extent described in the Scope below.

Responsibility

Galp Energia’s Board of Directors is responsible for all the information presented in the Report, as well as for the assessment criteria and for the systems and processes supporting information collection, consolidation, validation and reporting. Our responsibility is to conclude on the adequacy of the information, based upon our independent verification standards and agreed reference terms. We do not assume any responsibility over any purpose, people or organization.

Scope

Our procedures were planned and executed using the International Standard on Assurance Engagements 3000 (ISAE 3000) and having the Global Reporting Initiative, version GRI G4 (G4) as reference, in order to obtain a moderate level of assurance on both the performance information reported and the underlying processes and systems. The extent of our procedures, consisting of inquiries, analytical tests and some substantive work, was less significant than in a full audit. Therefore, the level of assurance provided is also lower.

Part of the information required by G4 is available on the “Annual Report and Accounts 2014” and the “Corporate Governance Report 2014”, documents that should be used to obtain a full understanding of the developed activities, the corporate governance and the Group’s performance.

The following procedures were performed:

- (i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the Report;
- (ii) Identify the existence of internal management procedures leading to the implementation of economic, environmental and social policies;
- (iii) Testing the efficiency of process and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned;
- (iv) Confirming, through visits to sites, that operational units follow the instructions on collection, consolidation, validation and reporting of performance indicators;

- (v) Executing substantive procedures, on a sampling basis, in order to collect sufficient evidence to validate reported information; **Galp Energia, SGPS, S.A. PwC 2;**
- (vi) Comparing technical data related to greenhouse gas emissions and primary energy consumption validated by the independent assurer under the European Emission Trading Scheme;
- (vii) Comparing financial and economic data with those in the “Annual Report and Accounts 2014” audited by PwC, to appraise the external validation of the reported information;
- (viii) Comparing data related to refineries with previous data verified by PwC in the scope of the assurance of Sines and Matosinhos Data Books;
- (ix) Validation of the material themes included in the Report based on the materiality principle of standard AA1000APS and G4, through the comparison of the Report’s content with the content of peer companies’ Sustainable Reports;
- (x) Verify the existence of data and information required to comply with the G4 version, option ‘In Accordance - Comprehensive’.

Confidentiality and Independence

Internally, PwC SROC is governed by ethical and deontological rules of confidentiality and independence quite rigid. Thus, in all aspects of our collaboration, the Firm and its employees maintain strict confidentiality of information obtained in the performance of their duties and complete independence regarding the interests of the companies of Galp Energia Group.

Additionally, we develop our work in line with standard ISAE 3000 independence requirements, including compliance with PwC’s independence policies and code of ethics of the International Ethics Standards Board of Accountants (IESBA).

Conclusions

Based on our work described in this report, nothing has come to our attention that causes us to believe that internal control related to the collection, consolidation, validation and reporting of the performance information referred above is not effective, in all material respects.

Based on the assumptions described on the scope, we conclude that the Report includes the data and information required for option ‘In Accordance - Comprehensive’, according to G4. As external auditors of Galp Energia, our opinion about financial data is expressed in the “Annual Report and Accounts 2014”.

Lisbon, March 23th, 2015

PricewaterhouseCoopers & Associados, S.R.O.C., Lda.

Represented by

António Joaquim Brochado Correia, ROC

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5.2 Appendix II - GRI table - Key sustainability indicators

GENERAL STANDARD DISCLOSURES

General standard disclosures	Page, link or content	Omissions	Justification for omission	External assurance
Strategy and analysis				
G4-1	1.2 Messages.	NA	NA	✓
G4-2	1.2 Messages; 2.6 The external context: climate and energy, a relationship to be reconciled; 2.2 Our business strategy; 3. What are the material challenges?	NA	NA	✓
Organisational profile				
G4-3	1.1 About this Report; Galp Energia, SGPS, S.A.	NA	NA	✓
G4-4	2.1 What we are today; 2.4 Our operational chain; 2.5 Where we have reached.	NA	NA	✓
G4-5	2.1 What we are today.	NA	NA	✓
G4-6	2.5 Where we have reached.	NA	NA	✓
G4-7	Annual Report and Accounts 2014 [AR&A 2014] (5.1. Corporate governance - shareholder structure).	NA	NA	✓
G4-8	2.4 Our operational chain; 2.5 Where we have reached.	NA	NA	✓
G4-9	2.1 What we are today; 2.4 Our operational chain; 2.5 Where we have reached.	NA	NA	✓
G4-10	4.3.1 Our human capital. 98.5% of our employees work full-time.	NA	NA	✓
G4-11	79.49%.	NA	NA	✓
G4-12	4.2.6 Engagement with suppliers.	NA	NA	✓
G4-13	AR&A 2014 (5.1. Corporate governance - shareholder structure).	NA	NA	✓
G4-14	4.1.2 Risk management.	NA	NA	✓
G4-15	4. How do we tackle them?	NA	NA	✓
G4-16	4. How do we tackle them?	NA	NA	✓
Identified material aspects and boundaries				
G4-17	1.1 About this Report.	NA	NA	✓
G4-18	1.1 About this Report; 3. What are the material challenges?	NA	NA	✓
G4-19	3. What are the material challenges?	NA	NA	✓
G4-20	3. What are the material challenges?	NA	NA	✓
G4-21	3. What are the material challenges?	NA	NA	✓
G4-22	1.1 About this Report; Appendix IV - Notes on methodology.	NA	NA	✓
G4-23	1.1 About this Report.	NA	NA	✓
Stakeholder engagement				
G4-24	4.2.1 Diálogo com stakeholders.	NA	NA	✓
G4-25	4.2.1 Diálogo com stakeholders.	NA	NA	✓
G4-26	4.2.1 Dialogue with stakeholders. In recent years, we have held formal consultations with stakeholders biannually. During the last consultation we updated our stakeholders' description and mapping, given our Company's expansion, its entry into other markets and strategic readjustment. In 2015 we will design and implement an engagement plan with stakeholders and the stakeholders' description and mapping will be kept up to date. A new formal consultation will be triggered when there is evidence of new trends, expectations or a new framework for our activities, or within 3 to 5 years.			✓
G4-27	4.2.1 Dialogue with stakeholders; 4.2.3 Engagement with the community; 4.2.4 Engagement with customers; 4.2.5 Engagement with investors; 4.2.6 Engagement with suppliers.	NA	NA	✓
Report profile				
G4-28	1.1 About this Report.	NA	NA	✓
G4-29	1.1 About this Report.	NA	NA	✓
G4-30	1.1 About this Report.	NA	NA	✓
G4-31	1.1 About this Report.	NA	NA	✓
G4-32	1.1 About this Report; present GRI Table.	NA	NA	✓
G4-33	1.1 About this Report; present GRI Table; Appendix I - Assurance letter.	NA	NA	✓
Governance				
G4-34	4.1.1 Corporate governance model.	NA	NA	✓
G4-35	4.1.1 Corporate governance model.			✓
G4-36	4.1.1 Corporate governance model.			✓

General standard disclosures	Page, link or content	Omissions	Justification for omission	External assurance
G4-37	4.1.1 Corporate governance model. Stakeholder consultation processes are approved by top management, presented and discussed by the Sustainability Committee, involving the entire Company and constitute KPIs in the performance assessment of employees directly involved in the process.			✓
G4-38	4.1.1 Corporate governance model.			✓
G4-39	4.1.1 Corporate governance model.			✓
G4-40	4.1.1 Corporate governance model.			✓
G4-41	Corporate Governance Report 2014 [CGR 2014] (PART I, C. Internal organisation, III – Internal control and risk management; PART II, 2. Analysis of compliance with the Corporate Governance Code adopted).			✓
G4-42	4.1.1 Corporate governance model. Find out more at our website. If you are reading the PDF version of this report, click here 			✓
G4-43	4.1.1 Corporate governance model. Find out more at our website. If you are reading the PDF version of this report, click here 			✓
G4-44	4.1.1 Corporate governance model; CGR 2014 (PART I, D. Remuneration, III - Remuneration structure).			✓
G4-45	4.1.2 Risk management; AR&A 2014 (4. Risk management).			✓
G4-46	4.1.1 Corporate governance model.			✓
G4-47	4.1.1 Corporate governance model; 4.1.2 Risk management.			✓
G4-48	4.1.1 Corporate governance model.			✓
G4-49	4.1.5 Guarantee of compliance and conformity; CGR 2014 (PART I, C. Internal organisation, II – Reporting of irregularities). Other critical concerns can be addressed through orders between the Directors of the organisational units and their respective executive directors, who propose and take issues to the Executive Committee. On the other hand, the teams from the organisational units may table draft resolutions for decisions to be taken by the Executive Committee, which shall discuss and communicate the subsequent decision.			✓
G4-50	4.1.5 Guarantee of compliance and conformity.			✓
G4-51	CGR 2014 (PART I, D. Remuneration, III - Remuneration structure).			✓
G4-52	CGR 2014 (PART I, D. Remuneration, III - Remuneration structure).			✓
G4-53	CGR 2014 (PART I, D. Remuneration, III - Remuneration structure).			✓
G4-54	This ratio, in 2014, valued 53.			✓
G4-55	The Company's multi-annual objectives policy implies that the variable remuneration of our CEO has a deferred component. The absence of an equivalent component in the previous year makes determining a remuneration variation inappropriate. For this reason, only next year shall we report this indicator, by comparing the base and variable components paid in the period.			✓

Ethics and Integrity

G4-56	2.1 What we are today.	NA	NA	✓
G4-57	2.1 What we are today; 4.1.5 Guarantee of compliance and conformity.			✓
G4-58	2.1 What we are today; 4.1.5 Guarantee of compliance and conformity.			✓

SPECIFIC STANDARD DISCLOSURES

Management approaches and indicators	Page, link or content	Omissions	Justification for omission	External assurance
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Category: Economic



ASPECT: ECONOMIC PERFORMANCE*

G4-DMA	2.1 What we are today; 2.2 Our business strategy; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.2.2 Creating shared value.			✓
G4-EC1	4.2.2 Creating shared value; 5.5 Appendix V - Other indicators.			✓
G4-EC2	4.4 Helping to satisfy future energy needs and minimising the intensity of the carbon footprint; See additional information at: https://www.cdp.net/sites/2014/42/7042/Investor%20CDP%202014/Pages/DisclosureView.aspx .			✓
G4-EC3	AR&A 2014 (Appendix Consolidated financial statements - Retirement and other benefits liabilities).			✓
G4-EC4	Galp Energia does not consider this indicator to be material.			✓

ASPECT: MARKET PRESENCE*

G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.3.1 Our human capital (local hiring).			✓
G4-EC5	Portugal: 164%; Spain: 144%; Brazil: 396%; Africa: 211%.			✓
G4-EC6	Portugal: 96%; Spain: 98%; Brazil: 67%; Africa: 81%.			✓

Management approaches and indicators	Page, link or content	Omissions	Justification for omission	External assurance
Aspect: Indirect economic impacts*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.2.2 Creating shared value; 4.2.3 Engagement with the community; 4.2.6 Engagement with suppliers.			✓
G4-EC7	4.2.2 Creating shared value; 4.2.3 Engagement with the community (Community investment policy).			✓
G4-EC8	4.2.2 Creating shared value; 4.2.3 Engagement with the community 4.2.4 Engagement with customers.			✓
Aspect: Procurement practices*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.2.6 Engagement with suppliers.			✓
G4-EC9	4.2.6 Engagement with suppliers.			✓
Aspect: Reserves*				
G4-DMA	2.1 What we are today; 4.1.2 Risk management. AR&A 2014 (2.2. Exploration & Production - Evolution of reserves and resources; 4. Risk management).			✓
G4-OG1	2.1 What we are today; 2.4 Our operational chain; AR&A 2014 (2.2. Exploration & Production - Evolution of reserves and resources).			✓
Category: Environmental				
Aspect: Materials*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.5.1 Our vision and strategy; 4.5.2 Health, safety and environment management; 4.5.3 Environmental protection.			✓
G4-EN1	Crude processed at Matosinhos Refinery: 3,792,028 t. Crude Processed at Sines Refinery: 7,035,380 t.			✓
G4-EN2	Galp Energia does not use recycled materials in its operations.			✓
Aspect: Energy*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.4 Helping to satisfy future energy needs and minimising the intensity of the carbon footprint; 4.5.2 Health, safety and environment management (Certifications); 4.5.3 Environmental protection (Air emissions and energy consumption; Environmental performance). Galp Energia's activity comes under a number of some policies and regulations within the scope of energy and air emissions matters, among which are: Buildings: energy performance of buildings and energy certification system for buildings; Transport: regulation on energy consumption management for the transport sector; Refining: European Union Emissions Trading System (EU ETS); intensive consumption of energy management system and Industrial Emissions Directive. Compliance with these policies and regulations is subject to internal audits and audits from official entities and independent external parties.			✓
G4-EN3	4.4.6 Innovation, research and promotion of efficient technologies; 4.5.3 Environmental protection (Environmental performance).			✓
G4-EN4	709,568 GJ (corresponds to the contractors' energy consumption).			✓
G4-EN5	4.4.5 Efficient R&M. E&P - non-operated blocks: Brazil (1.6 GJ/t of hydrocarbon produced); Angola (2.1 GJ/t of hydrocarbon produced).			✓
G4-EN6	4.4 Helping to satisfy future energy needs and minimising the intensity of the carbon footprint.			✓
G4-EN7	4.4 Helping to satisfy future energy needs and minimising the intensity of the carbon footprint.			✓
G4-OG2	Non-material indicator to Galp Energia.			✓
G4-OG3	4. How do we tackle them? (Establishing internal commitments); 4.4.6 Innovation, research and promotion of efficient technologies.			✓
Aspect: Water*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.5.1 Our vision and strategy; 4.5.2 Health, safety and environment management; 4.5.3 Environmental protection (Assessment and impact management; Soil and water resources; Environmental performance).			✓
G4-EN8	4.5.3 Environmental protection (Soil and water resources; Environmental performance). E&P - non-operated blocks: Brazil (0.26 m ³ /t of hydrocarbon produced); Angola (3.1 m ³ /t of hydrocarbon produced).			✓


Management approaches and indicators	Page, link or content	Omissions	Justification for omission	External assurance
G4-EN9	According to its knowledge to date, Galp Energia has no activities where water consumption significantly affects water sources.			✓
G4-EN10	In 2014, we have recycled 1,813,453 m ³ of water, which corresponds to an overall 18% of the water consumed.			✓
Aspect: Biodiversity				
G4-DMA	See an interactive map of biodiversity and water resources on our website. If you are reading the PDF version of this report, click here 			✓
G4-EN11	100% of Galp Energia sites are analysed in terms of biodiversity risks. None of the E&P blocks held by Galp Energia is located within classified UNESCO World Heritage areas and IUCN category I to IV protected areas.			✓
Aspect: Emissions*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.4 Helping to satisfy future energy needs and minimising the intensity of the carbon footprint; 4.5.2 Health, safety and environment management; 4.5.3 Environmental protection (Air emissions and energy consumption; Environmental performance). Galp Energia's activity comes under a number of policies and regulations within the scope of energy and air emissions, previously referred to under the material aspect of Energy.			✓
G4-EN15	4.4.3 Our carbon footprint.			✓
G4-EN16	4.4.3 Our carbon footprint.			✓
G4-EN17	4.4.3 Our carbon footprint.			✓
G4-EN18	4.4.5 Efficient R&M. E&P – non-operated blocks: Brazil (102 t/10 ³ t of hydrocarbon produced); Angola (123 t/10 ³ t of hydrocarbon produced).			✓
G4-EN19	4.4 Helping to satisfy future energy needs and minimising the intensity of the carbon footprint.			✓
G4-EN20	Galp Energia does not manufacture or sell products that emit substances which damage the ozone layer. On the other hand, it ensures compliance of equipment containing such substances with applicable regulations, verifying such compliance through audits. Finally, the Company has a regulatory guide - Management of substances that deplete the ozone layer. We thereby guarantee no significant emissions of these substances.			✓
G4-EN21	4.5.3 Environmental protection (Environmental performance).			✓
Aspect: Effluents and waste*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.5.1 Our vision and strategy; 4.5.2 Health, safety and environment management; 4.5.3 Environmental protection (Assessment and impact management; Soil and water resources; Environmental performance) See an interactive map of biodiversity and water resources on our website. If you are reading the PDF version of this report, click here 			✓
G4-EN22	4.5.3 Environmental protection (Environmental performance). E&P – non-operated blocks: Angola (1.2 m ³ /t of hydrocarbon produced).			✓
G4-EN23	4.5.3 Environmental protection (Environmental performance).			✓
G4-EN24	4.5.4 Safety (Loss of containment).			✓
G4-EN25	Not applicable.			✓
G4-EN26	Wastewater discharges are subject to licensing and we assume that compliance with standards guarantees the absence of impacts on biodiversity. On the other hand, at the main facilities we monitor the quality of groundwater and carry out quantitative risk analyses (SR 2009, p. 87: http://www.galpennergia.com/EN/Investidor/Relatorios-e-resultados/relatorios-anuais/Documents/Sustainability%20report%202009.pdf), which confirms that surrounding ecosystems are not affected by our activities.			✓
G4-OG5	E&P – non-operated blocks: Angola (1.2 m ³ /t of hydrocarbon produced).			✓
G4-OG6	E&P – non-operated blocks: Brazil (18.3 t/10 ³ t of hydrocarbon produced); Angola (7.2 t/10 ³ t of hydrocarbon produced). Data on vented gas is not available.			✓
G4-OG7	E&P – operated blocks: Brazil (998 t); Morocco (113 t).			✓
Aspect: Products and services*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.5.1 Our vision and strategy; 4.5.2 Health, safety and environment management; 4.5.4 Safety (Product safety).			✓
G4-EN27	4.5.4 Product safety.			✓
G4-EN28	The total weight of the declared packages in 2014 was 1,329 tonnes.			✓
G4-OG8	SR 2013, p. 73: http://www.galpennergia.com/PT/investidor/Relatorios-e-resultados/relatorios-anuais/Documents/Relatorio-de-sustentabilidade_2013.pdf			✓

Management approaches and indicators	Page, link or content	Omissions	Justification for omission	External assurance
Aspect: Compliance*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.1.2 Risk management; 4.5.1 Our vision and strategy; 4.5.2 Health, safety and environment management.			✓
G4-EN29	0 fines. €120,000.			✓
Aspect: Transport*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.2.6 Engagement with suppliers (Supplier audits); 4.4.3 Our carbon footprint.			✓
G4-EN30	4.4.3 Our carbon footprint; 4.5.4 Safety (Loss of containment).			✓
Aspect: Supplier environmental assessment*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.2.6 Engagement with suppliers.			✓
G4-EN32	4.2.6 Engagement with suppliers (Purchasing policy). All new suppliers are assessed on environmental criteria. https://supply4.galpenenergia.com/web/supplier_qualification.html			✓
G4-EN33	No tier 1 (critical and non-critical) suppliers with high risk were identified. 4.2.6 Engagement with suppliers.			✓

Category: Social

Subcategory: Labour practices and decent work

Aspect: Employment*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.3 Valuing human capital.			✓
G4-LA1	4.3.1 Our human capital (Turnover and mobility).			✓
G4-LA2	4.3.7 Employee benefits. There is no distinction in employee benefits for part-time or full-time status. Galp Energia's employees enjoy the conditions set out in the Labour Code: <ul style="list-style-type: none"> • Job safety/prohibition of dismissal without just cause. • Maximum working time. • Minimum break periods. • Paid holidays and respective allowance. • Christmas bonus. • Minimum wage and overtime. • Conditions for occasional employee assignment. • Vocational training. • Occupational health & safety. • Workplace accident insurance/rights to remedy for damages resulting from workplace accidents. • Parental leave. • Protection against child labour. • Student employee status. • Equal treatment and non-discrimination. • Protection from harassment. • Respect for personal rights. • Respect for rights to privacy in personal and family life; and premiums and variable remuneration: • Productivity bonus. • Variable remuneration (performance management system). 		✓	
G4-LA3	Right to take leave: 100% Rate of return: 100% * Retention rate: 100% *			✓
* No causal relationship is found between parental leave situations and leaving the Company.				
Aspect: Labour/management relations*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.3.9 Staff involvement (Labour relations; Internal communication tools).			✓
G4-LA4	There is no minimum advance notice with regard to operational changes. Employees are notified of any such changes in a manner deemed timely and appropriate by management.			✓

Management approaches and indicators	Page, link or content	Omissions	Justification for omission	External assurance												
Aspect: Occupational health and safety*																
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.5.1 Our vision and strategy; 4.5.2 Health, safety and environment management; 4.5.4 Safety (Safety performance); 4.5.5 Health management.			✓												
G4-LA5	44.77% of the employees are represented within health and safety committees.			✓												
G4-LA6	4.5.4 Safety (Safety performance). We are, at Galp Energia, implementing an information system to report non-financial information (GRID), which will allow us to obtain these indicators distinguishing gender and geography.			✓												
G4-LA7	4. How do we tackle them? (Undertaking external commitments); 4.5.5 Health management. We have internal regulations, under the G+ System, for task safety analyses, in order to prevent potential situations that may cause injury to persons, property and the environment. Task safety analysis is a tool that provides a systematic and effective methodology to identify hazards and determine preventive control actions at each stage of the task, so as to ensure safety during implementation. We also have an internal standard that defines the minimum requirements for occupational health programmes, covering three key areas: safety and hygiene at work, ergonomics and occupational medicine.			✓												
G4-LA8	Information available on our website. If you are reading the PDF version of this report, click here 			✓												
Aspect: Training and education*																
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.3.2 Our strategy (Ensuring the strategic development of critical skills); 4.3.3 Human capital in the context of E&P growth; 4.3.4 Human capital development programmes; 4.3.5 Performance Management (Performance management system); 4.3.6 Training; 4.6.4 Engagement with the scientific and technological community.			✓												
G4-LA9	4.3.6 Training.			✓												
G4-LA10	4.3.2 Our strategy (Ensuring the strategic development of critical skills); 4.3.4 Human capital development programmes; 4.3.6 Training.			✓												
G4-LA11	4.3.5 Performance Management (Performance management system). There is no differentiation between genders on what regards performance assessments. We have and will continue to conceive and create new personal development plans.			✓												
Aspect: Diversity and equal opportunity*																
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights (Code of Ethics); 4.3.1 Our human capital (Diversity; Distribution by gender; Local hiring; Non-discrimination and equal opportunities).			✓												
G4-LA12	4.3.1 Our human capital.			✓												
Aspect: Equal remuneration for women and men*																
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights (Code of Ethics); 4.3.1 Our human capital (Distribution by gender; Non-discrimination and equal opportunities).			✓												
G4-LA13	<table border="1"> <thead> <tr> <th>Professional categories</th> <th>Average salary ratio (M/W)</th> <th>Average remuneration ratio (M/W)</th> </tr> </thead> <tbody> <tr> <td>Middle/General management</td> <td>1.007</td> <td>0.988</td> </tr> <tr> <td>First line management/ Supervisors</td> <td>1.160</td> <td>1.144</td> </tr> <tr> <td>Specialised groups</td> <td>1.142</td> <td>1.145</td> </tr> </tbody> </table>	Professional categories	Average salary ratio (M/W)	Average remuneration ratio (M/W)	Middle/General management	1.007	0.988	First line management/ Supervisors	1.160	1.144	Specialised groups	1.142	1.145			✓
Professional categories	Average salary ratio (M/W)	Average remuneration ratio (M/W)														
Middle/General management	1.007	0.988														
First line management/ Supervisors	1.160	1.144														
Specialised groups	1.142	1.145														
Aspect: Supplier assessment for labour practices*																
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.2.6 Engagement with suppliers.			✓												
G4-LA14	4.2.6 Engagement with suppliers (Purchasing policy). All new suppliers are assessed on social criteria. https://supply4.galpenenergia.com/web/supplier_qualification.html			✓												
G4-LA15	29 tier 1 (critical and non-critical) suppliers with high social sustainability risk were identified. 4.2.6 Engagement with suppliers.			✓												

Management approaches and indicators	Page, link or content	Omissions	Justification for omission	External assurance
Aspect: Labour practices grievance mechanisms				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.3.9 Staff involvement (Labour relations).			✓
G4-LA16	4.3.9 Staff involvement (Labour relations). There were five registered cases, all solved during the reporting period.			✓
Subcategory: Human Rights				
Aspect: Investment				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights; 4.2.6 Engagement with suppliers (Purchasing Policy); 4.3.6 Training.			✓
G4-HR1	4.2.6 Engagement with suppliers (Purchasing Policy). Fulfilling the commitment undertaken made in the past, Galp Energia introduced a standard clause binding its counterparties, including business partners, suppliers or others, to the provisions of Galp Energia's code of ethics, in all parts of its contracts referring to the safeguarding of human rights.			✓
G4-HR2	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights (Code of ethics); 4.3.6 Training.			✓
Aspect: Non-discrimination*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights (Code of ethics); 4.1.5 Guarantee of compliance and conformity; 4.3.1 Our human capital (Diversity; Distribution by gender; Local hiring; Non-discrimination and equal opportunities).			✓
G4-HR3	0 cases. 'Galp Energia's labour practice, policies and procedures are oriented towards impeding discrimination and differential treatment according to race, gender, sexual orientation, creed, civil status, physical handicap, political orientation or opinions of another nature, ethnic or social origin, nationality or union affiliation' - in Code of ethics.			✓
Aspect: Freedom of association and collective bargaining*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights (Code of ethics); 4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing Policy); 4.3.9 Staff involvement (Labour relations).			✓
G4-HR4	No occurrences. 4.3.9 Staff involvement (Labour relations) 'Galp Energia's labour practice , policies and procedures are oriented towards impeding discrimination and differential treatment according to race, gender, sexual orientation, creed, civil status, physical handicap, political orientation or opinions of another nature, ethnic or social origin, nationality or union affiliation' - in Code of ethics.			✓
Aspect: Child Labour*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights (Code of ethics); 4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing policy).			✓
G4-HR5	4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing policy). Galp Energia considers that there is, in its activity, no risk of child labour amongst its employees. As regards suppliers and other business partners, through its purchasing policy, it prohibits and condemns any type of practice related to child labour, and does not establish or maintain relationships with suppliers not aligned with the principles established.			✓
Aspect: Forced or compulsory labour*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights (Code of ethics); 4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing policy).			✓

Management approaches and indicators	Page, link or content	Omissions	Justification for omission	External assurance
G4-HR6	4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing policy). Galp Energia considers that there is, in its activity, no occurrence of forced labour amongst its employees. As regards suppliers and other business partners, through its purchasing policy, it prohibits and condemns any type of practice related to forced labour, and does not establish or maintain relationships with suppliers not aligned with the principles established.			✓
Aspect: Security practices*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.2.6 Engagement with suppliers (Purchasing policy).			✓
G4-HR7	The Galp Energia security service is essentially contracted from external entities, and their alignment with Company principles in the field of human rights is ensured by the purchasing policy.			✓
Aspect: Indigenous rights*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights; 4.5.3 Environmental protection (Assessment and management of impacts).			✓
G4-HR8	0 cases.			✓
G4-OG9	Galp Energia did not register any such situation in 2014. In 2014, Galp Energia published a guide for the assessment of environmental and social impacts in the area of Exploration and Production, which is duly directed at identifying and mitigating possible negative impacts, covering topics, such as: identification of impacts on indigenous peoples; identification of alternatives, among others. 4.5.3 Environmental protection (Assessment and management of impacts).			✓
Aspect: Assessment*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights; 4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing policy).			✓
G4-HR9	4. How do we tackle them? (Undertaking external commitments); 4.1.3 Ethics and human rights; 4.5.3 Environmental protection (Assessment and management of impacts).			✓
Aspect: Supplier human rights assessment*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.2.6 Engagement with suppliers.			✓
G4-HR10	4.2.6 Engagement with suppliers (Purchasing policy). All new suppliers are assessed on social criteria. https://supply4.galpenergia.com/web/supplier_qualification.html .			✓
G4-HR11	29 tier 1 (critical and non-critical) suppliers with high social sustainability risk were identified. 4.2.6 Engagement with suppliers.			✓
Aspect: Human rights grievance mechanism*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights; 4.1.5 Guarantee of compliance and conformity.			✓
G4-HR12	0 cases.			✓
Subcategory: Society				
Aspect: Local communities*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.2.1 Dialogue with stakeholders; 4.2.2 Creating shared value; 4.2.3 Engagement with the community; 4.5.3 Environmental protection (Assessment and management of impacts).			✓
G4-SO1	4.2.1 Dialogue with stakeholders; 4.2.3 Engagement with the community.			✓

Management approaches and indicators	Page, link or content	Omissions	Justification for omission	External assurance
G4-S02	4.5.3 Environmental protection (Assessment and management of impacts; Sustainability in E&P - Mozambique project). In 2014, Galp Energia published a guide for the assessment of environmental and social impacts in the area of Exploration and Production, which is duly directed at identifying and mitigating possible negative impacts, covering topics, such as: stakeholder engagement; identification of secondary and cumulative impacts; identification of alternatives, among others.			✓
G4-OG10	Galp Energia did not register any such situation in 2014.			✓
G4-OG11	Galp Energia has a standard procedure – NPG-038 –, which establishes the minimum HSE requirements applicable to the decommissioning of establishments/facilities in the Galp Energia Group, proposing structures for decommissioning plans and content to be developed by business/management units and Group companies, tailored to the characteristics and the establishments/facilities risk levels. There was no decommissioning in 2014. Note: The end of drilling is not regarded as decommissioning given that these activities generally only last between 20 and 45 days, removal of equipment and site clearance being considered stages of activity.			✓
Aspect: Anti-corruption*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.4 Anti-corruption and transparency; 4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing policy).			✓
G4-S03	4.1.2 Risk management (Internal control system). Galp Energia created a group, under the Risk Committee, which meets bi-monthly to identify and assess a number of risks, including the risks of corruption in the jurisdictions to which the Company is subject. At these meetings, the risk drivers and the potential consequences are identified and updated, and responses and mitigation initiatives are addressed to the appropriate managers.			✓
G4-S04	4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments); 4.1.4 Anti-corruption and transparency; 4.1.5 Guarantee of compliance and conformity.			✓
G4-S05	Galp Energia recorded no cases of corruption in 2014.			✓
Aspect: Anti-competitive behaviour*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.4 Anti-corruption and transparency; 4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing policy).			✓
G4-S07	No cases were recorded in 2014. In meetings where colleagues from competitor companies are present, including meetings of Concawe and FuelsEurope working groups, clear instructions are given in order to prohibit conversation on sensitive issues such as pricing, and a brochure is being distributed with 'Dos and Don'ts'.			✓
Aspect: Compliance*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.1.2 Risk management; 4.1.5 Guarantee of compliance and conformity.			✓
G4-S08	0 non-monetary sanctions. There was no payment of fines.			✓
Aspect: Supplier assessment for impacts on society				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.2.6 Engagement with suppliers.			✓
G4-S09	4.2.6 Engagement with suppliers (Purchasing policy). All new suppliers are assessed on social criteria. https://supply4.galpennergia.com/web/supplier_qualification.html .			✓
G4-S010	29 tier 1 (critical and non-critical) suppliers with high social sustainability risk were identified. 4.2.6 Engagement with suppliers.			✓
Aspect: Grievance mechanisms for impacts on society*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.5 Guarantee of compliance and conformity.			✓
G4-S011	There were 21 claims on these matters in 2014, all of them opened and solved in the reporting period.			✓
Aspect: Involuntary resettlement*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.5.3 Environmental protection (Assessment and management of impacts).			✓
G4-OG12	Galp Energia did not register any such situation in 2014.			✓

Management approaches and indicators	Page, link or content	Omissions	Justification for omission	External assurance
Aspect: Asset integrity and process safety*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.5.4 Safety (Process safety; Loss of containment).			✓
G4-OG13	4.5.4 Safety (Process safety; Loss of containment). No. of tier 1 events: 8 No. of tier 2 events: 12. [It does not include the Biofuels business unit (activities carried out in Brazil) and E&P – non-operated blocks].			✓
Subcategory: Product responsibility				
Aspect: Customer health and safety*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.5.4 Safety (Product safety).			✓
G4-PR1	4.5.4 Safety (Product safety).			✓
G4-PR2	One case in 2014.			✓
Aspect: Product and service labelling*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.2.4 Engagement with customers (Relationship with customers); 4.5.4 Safety (Product safety).			✓
G4-PR3	4.5.4 Safety (Product safety).			✓
G4-PR4	Three cases in 2014. In all of them the non-conformity was related to products sold in our service station shops, not being directly related to Galp Energia's core business (oil & gas products).			✓
G4-PR5	4.2.4 Engagement with customers (Relationship with customers).			✓
Aspect: Marketing communications*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.5 Guarantee of compliance and conformity; 4.2.4 Engagement with customers (Relationship with customers).			✓
G4-PR6	Galp Energia has no record that its products are banned in any of the markets where it operates.			✓
G4-PR7	4.1.5 Guarantee of compliance and conformity. There were 2 cases in 2014. In both of them the non-conformity was related to products sold in our service station shops, not being directly related to Galp Energia's core business (oil & gas products).			✓
Aspect: Customer privacy*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance).			✓
G4-PR8	Galp Energia has no record of violations of its customers' privacy in 2014. Galp Energia, through its Privacy Policy, respects the privacy of its customers and protects the personal information entrusted to it. Whenever it is necessary to request personal information from users and data holders for the purpose of providing services, the use of this information is described within the relevant in terms of that document and in accordance with data protection legislation.			✓
Aspect: Compliance*				
G4-DMA	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.1.2 Risk management; 4.1.5 Guarantee of compliance and conformity.			✓
G4-PR9	0 cases in 2014.			
* Material aspect				

5.3 Appendix III – Global Compact table

PRINCIPLE		REFERENCE
Commitment to Global Compact		4. How do we tackle them? (Undertaking external commitments); 4.1.4 Anti-corruption and transparency.
Human Rights	1 Support and respect the protection of internationally proclaimed human rights	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Undertaking external commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights; 4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing policy); 4.3.6 Training; 4.5.3 Environmental protection (Assessment and management of impacts).
	2 Make sure not to be complicit in human rights abuses	
Labour	3 Uphold freedom of association and the effective recognition of the right to collective bargaining	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.1.3 Ethics and human rights (Code of ethics); 4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing policy); 4.3.1 Our human capital; 4.3.5 Performance management; 4.3.9 Staff involvement (Labour relations).
	4 Uphold the elimination of all forms of forced and compulsory labour	
	5 Uphold the effective abolition of child labour	
	6 Uphold the elimination of discrimination in respect of employment and occupation	
Environment	7 Support a precautionary approach to environmental challenges	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.1.2 Risk management; 4.2.6 Engagement with suppliers; 4.4 Helping to satisfy future energy needs and minimising the intensity of the carbon footprint; 4.5 Ensuring the protection of the environment, people and assets.
	8 Undertake initiatives to promote greater environmental responsibility	
	9 Encourage the development and diffusion of environmentally friendly technologies	
Anti-corruption	10 Work against corruption in all its forms, including extortion and bribery	2.1 What we are today; 3. What are the material challenges?; 4. How do we tackle them? (Establishing internal commitments; Continuously monitoring our performance); 4.1.4 Anti-corruption and transparency; 4.1.5 Guarantee of compliance and conformity; 4.2.6 Engagement with suppliers (Purchasing policy).

5.4 Appendix IV – Notes on methodology

Environmental performance – Methodology

Direct energy consumption per primary sources.

Type of combustion	Fuels used
Stationary	Endogenous: refinery fuel oil, fuel gas Exogenous: NG, LPG, fuel oil, petrol, diesel
Mobile	Exogenous: fuel oil, petrol, diesel

Definitions

- Endogenous fuels: non-commercial fuels resulting from by-products of the industrial process.
- Exogenous fuels: commercial fuels not resulting from by-products of the industrial process.
- Stationary combustion: fuel combustion to generate electricity, steam or heat on stationary equipment, such as boilers, furnaces, etc.
- Mobile combustion: fuel combustion by vehicles or other mobile equipment (e.g. forklifts).

Fuel type	Low heat value		Density		NO _x emission factor		SO ₂ emission factor		% S		Particulate matter emission factor	
	Value	Unit	Value	Unit	Value	Unit	Value	Unit	Value	Unit	Value	Unit
Natural Gas	38.44	GJ/(10 ³ Nm ³)	-	-	48	g/GJ	-	-	0	%	0,8	g/GJ
Fuel oil/hydrocarbons	40.28	GJ/t	-	-	160	g/GJ	-	-	1,0	%	53	g/GJ
Fuel oil – shipping	40.28	GJ/t	-	-	79,3	kg/t	20	kg/t	-	%	6.2	kg/t
Petrol – passenger vehicles	44	GJ/t	0.745	kg/l	0,12	kg/GJ	0.002	kg/GJ	-	%	0.004	kg/GJ
Stationary combustion equipment	43.07	GJ/t	0.837	kg/l	60	g/GJ	-	-	0.005	%	69.9	g/GJ
Passenger vehicles	43.07	GJ/t	0.837	kg/l	0.262	kg/GJ	0.002	kg/GJ	-	%	0.019	kg/GJ
Heavy vehicles/mobile equipment	43.07	GJ/t	0.837	kg/l	0.703	kg/GJ	0.002	kg/GJ	-	%	0.023	kg/GJ
Shipping	43.07	GJ/t	-	-	0.837	kg/t	20	kg/t	0.1	%	1.5	kg/t
Roadway – shipping	43.07	GJ/t	-	-	78.5	kg/t	0.2	kg/t	10	ppm	1.5	kg/t

Note: The constants application is not extensible in its entirety to refineries and cogenerations (these emissions are obtained based on specific methodologies agreed with the competent authority).

References

LHV:

EU ETS 2013-2020. Updated in 2013. Low heat value, emission factor and oxidation factor.

http://www.apambiente.pt/_zdata/DPAAC/CELE/tabela_PCI_FE_FO_2013.pdf

Density:

EU ETS. Density values to be used within the scope of the EU ETS scheme in 2013.

http://www.apambiente.pt/_zdata/DPAAC/CELE/tabela_densidades_combustiveis_2013.pdf

NO_x/SO₂/particulate matter emission factors and sulphur content (%S):

Portuguese Informative Inventory Report. IIR (Informative Inventory Report).

http://www.apambiente.pt/_zdata/dpaac/inerpa/iir_global_20140325.pdf

NO_x/SO₂/particulate matter emission factors regarding shipping:

EMEP/EEA emission inventory guidebook 2013 (page13)

<http://www.eea.europa.eu/publications/emep-eea-guidebook-2013>

LA 1

$$\text{Turnover rate} = \frac{\text{(No. of employees who voluntarily leave the Company)}}{\text{(Average workforce)}}$$

LA 6

Lost Workday Injury Frequency

Number of lost workday injuries divided by the number of hours worked expressed in millions.

Absenteeism index

Total days of absenteeism divided by the average workforce x 11 months x 22 days.

Carbon footprint (page 64)

Direct emissions (scope 1) – these emissions can be directly controlled by the Company and concern emissions from fuel consumption within the Company’s facilities: furnaces, heat or steam generators, fleet vehicles.

Indirect emissions (scope 2) – these emissions stem from the Company’s activity but use resources from a different organisation: use of electricity from the grid, or heat and steam produced in external facilities.

Indirect emissions (scope 3) – these emissions stem from fuel consumption in facilities not belonging to the Company: rented vehicles, planes, waste incineration, logistics and services.

Galp Energia’s 2014 carbon footprint was assessed according to the methodological framework set by the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, complemented by the respective sector adaptation provided by the International Petroleum Industry Environmental Conservation Association (IPIECA) – Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industries.

As in 2013, when assessing Galp Energia’s 2014 carbon footprint, the “Use of products” caption did not include neither sales to other operators nor exports or NG trading volumes, since only the emissions associated with the consumption of Galp Energia’s products introduced in the market via sale to the end user are to be accounted for.

5.5 Appendix V – Other indicators

CORE ECONOMIC INDICATORS

	2012	2013	2014	2013-2014 variation (%)
Sales and services provided (€m)	18,507	19,622	18,021	-8%
Other operating income (€m)	137	143	105	-26%
Costs of goods and other operating costs (€m)	16,213	17,223	15,721	-9%
Supply and services (€m)	990	1,068	1,158	8%
HR operating costs (€m)	321	347	370	6%
Interests and similar expenses ¹ (€m)	173	174	152	-13%
Dividends (€m)	270	222	275	24%
Taxes paid (€m)	2,157	2,570	2,657	3%
Income tax (€m)	171	136	154	13%
Tax on oil products ^{1,2} (€m)	1,969	2,418	2,489	3%
Other taxes (€m)	17	16	14	-11%
Direct economic value generated (€m)	18,644	19,734	18,116	-8%
Direct economic value distributed (€m)	18,184	19,195	17,848	7%
Cumulative or retained economic value (€m)	480	539	278	-48%
Investment in the community (€m)	9	9	4	-53%
Net earnings IFRS (€m)	343	189	-173	-192%
Replacement cost adjusted net earnings (€m)	360	310	373	20%
Investment (€m)	940	963	1,143	19%
Net assets (€m)	13,909	13,717	13,215	-4%
Financial debt (€m)	1,697	2,173	2,520	16%
EBITDA IFRS (€m)	1,038	1,041	825	-21%
Replacement cost adjusted EBITDA (€m)	1,016	1,141	1,314	15%
EBIT IFRS (€m)	542	401	180	-55%
Replacement cost adjusted EBIT (€m)	585	590	775	31%
Working interest production (kboepd)	24	25	31	22%
3P net entitlement reserves (mmboc)	783	707	833	18%
Refined products sales (mt)	16	17	17	-1%
Natural gas sales (mm ³)	6,253	7,090	7,472	5%

¹ Results are reported as cash flow.

² The tax on oil products was not included in the calculation of the direct economic value generated and distributed because is a specific indicator of the activity of Galp Energia in Portugal.

5.6 Appendix VI – Abbreviations, initials and acronyms

1P: proved reserves	BSC: balanced scorecard
2P: proved and probable reserves	CAGR: compound annual growth rate
3C: contingent resources	CC: Climate Change
3P: proved, probable and possible reserves	CCAP: Câmara de Comércio Americana em Portugal (United States Chamber of Commerce Portugal)
ABPIP: Brazilian Association of Oil & Gas Independent Producers	CCGT: combined circle gas turbine
ACM: High Commission for Migrations	CCIAP: Câmara de Comércio e Indústria Árabe-Portuguesa (Arab-Portuguese Chamber of Commerce and Industry)
ADEMA: Administração Estadual do Meio Ambiente (Brazilian State Administration of the Environment)	CCIASB: Câmara de Comércio, Indústria, Agricultura e Serviços de Barlavento (Barlavento's Chamber of Commerce, Industry, Agriculture and Services Cape Verde)
ADPP: Ajuda de Desenvolvimento de Povo para Povo (From People to People Development Help)	CCILB: Câmara de Comércio e Indústria Luso-Brasileira (Portuguese-Brazilian Chamber of Commerce and Industry)
AEE: Association of Energy Engineers	CCILE: Câmara de Comércio e Indústria Luso-Espanhola (Portuguese-Spanish Chamber of Commerce and Industry)
AEM: Associação das Entidades Emitentes de Valores Cotados em Mercado (Association of Listed Companies)	CCIPA: Câmara de Comércio e Indústria Portugal-Angola (Portuguese-Angolan Chamber of Commerce and Industry)
AEP: Associação Empresarial de Portugal (Portuguese Business Association)	CCMP: Câmara de Comércio e Indústria Moçambique Portugal (Portuguese Mozambican Chamber of Commerce and Industry)
AIA: Associação Industrial de Angola (Angola's Industrial Association)	CDLI: Climate Disclosure Leadership Index
AIP: Associação Industrial Portuguesa (the Portuguese Industrial Association)	CE-CPLP: Confederação Empresarial da Comunidade dos Países de Língua Portuguesa (Business Confederation of the Community of Portuguese Speaking Countries)
AIPQR: Associação das Indústrias de Petroquímica, Química e Refinação (Refining, Petrochemical and Chemical Industries Association)	CEDIGAZ: The International Association for Natural Gas
AND: Associação Nacional de Designers (Designers' National Association)	CEFIC: The European Chemical Industry Council
ANEBE: Associação Nacional de Empresas de Bebidas Espirituosas (National Association of Spirits Producers)	CGR: corporate governance report
AOP: Asociación Española de Operadores de Productos Petrolíferos (Spanish Oil Products Operators Association)	CHP: Câmara de Comércio Hispano-Portuguesa (Hispanic-Portuguese Chamber of Commerce)
APA: Agência Portuguesa do Ambiente (Portuguese Environmental Agency)	CIP: Confederação da Indústria Portuguesa (Portuguese Industry Confederation)
APCE: Associação Portuguesa de Comunicação de Empresa (Portuguese Association for Corporate Communication)	CITE: Comissão para a Igualdade no Trabalho e no Emprego (Portuguese Commission for Equality in Labour and Employment)
APETRO: Associação Portuguesa de Empresas Petrolíferas (Portuguese Oil Companies Association)	CLP: classification, labelling and packaging
APG: Associação Portuguesa de Gestão das Pessoas (Portuguese Association of People Management)	CNG: compressed natural gas
APPM: Associação Portuguesa dos Profissionais de Marketing (Portuguese Marketing Professionals Association)	CO₂: carbon dioxide
APQ: Associação Portuguesa para a Qualidade (Portuguese Association for Quality)	CO_{2e}: equivalent carbon dioxide
AVHI: Asociación Venezolana de los Hidrocarburos (Venezuelan Hydrocarbons Association)	CONCAWE: European Association for Environment, Health and Safety in Refining and Distribution
AZE: Alliance for Zero Extinction	COSO: Committee of Sponsoring Organizations of the Treadway Commission
B2B: business to business	COTEC: Associação Empresarial para a Inovação (Portuguese Business Association for Innovation)
B2C: business to consumer	CPCB: Câmara Portuguesa de Comércio no Brasil (Portuguese Chamber of Commerce in Brazil)
BAT: best available techniques	CTC: competitiveness and technology centres
BBB: Belém Bioenergia Brasil S.A.	CWT: complexity weighted tonne
bbi: barrel of oil	DELTA Δ: variation
bcm: billion cubic metres	DJSI: Dow Jones Sustainability Index
BCSD: Business Council for Sustainable Development Portugal	E&P: Exploration and production
BD: Board of Directors	EAD: external automatic defibrillation

<p>EBITDA: earnings before interest, taxes, depreciation and amortisation</p> <p>EC: Executive Committee</p> <p>ECSI: European Customer Satisfaction Index</p> <p>EE: energy efficiency</p> <p>EFET: European Federation of Energy Traders</p> <p>EIA: environmental impact assessment</p> <p>EIAR: environmental impact assessment report</p> <p>EII: Energy Intensity Index</p> <p>EIS: environmental impact study</p> <p>EIT KIC: European Institute of Innovation and Technology – Knowledge and Innovation Communities</p> <p>EITI: Extractive Industries Transparency Initiative</p> <p>ENERGYIN: Polo de Competitividade e Tecnologia da Energia (Portuguese Competitiveness and Technology Cluster for Energy)</p> <p>ENH: Empresa Nacional de Hidrocarbonetos de Moçambique (Mozambique’s National Hydrocarbons Company)</p> <p>EPCA: The European Petrochemical Association</p> <p>EPIS: Empresários pela Inclusão Social (Portuguese Entrepreneurs for Social Inclusion)</p> <p>EQS: environment, quality and safety</p> <p>EQSS: environment, quality, safety and sustainability</p> <p>ESIA: environmental and social impact assessment</p> <p>ETS: Emissions Trading System</p> <p>EU ETS: EU Emissions Trading System</p> <p>EU: European Union</p> <p>FAE: Fórum de Administradores de Empresas (Portuguese Business Administrators Forum)</p> <p>FAI: Fundo de Apoio à Inovação (Innovation Support Fund)</p> <p>FCC: fluid catalytic cracking</p> <p>FCT: Faculdade de Ciências e Tecnologia (Science and Technology Faculty)</p> <p>FPSO: floating production storage offloading</p> <p>FSECC: Federation of Swaziland Employers and Chamber of Commerce</p> <p>FUELSEUROPE: European Petroleum Refiners Association</p> <p>G&P: Gas & Power</p> <p>GCC: The Gambia Consultative Council</p> <p>GHG: greenhouse gases</p> <p>GIS: Geographic Information Systems</p> <p>GRI: Global Reporting Initiative</p> <p>GRID: Gestão e Reporte de Indicadores de Desempenho (Performance Indicators Reporting and Management)</p> <p>GRMS: gas regulation and metering station</p> <p>GSM: general shareholders meeting</p> <p>GWT: Global Water Tool</p>	<p>HIV: Human Immunodeficiency Virus</p> <p>HR: human resources</p> <p>HSE: health, safety and environment</p> <p>HVAC: heat, ventilation and air conditioning</p> <p>HWU: Heriot-Watt University</p> <p>IATA: International Air Transport Association</p> <p>IBAT: Integrated Biodiversity Assessment Tool</p> <p>IBIA: International Bunker Industry Association</p> <p>IBP: Instituto Brasileiro de Petróleo, Gás e Biocombustível (Brazilian Oil, Gas and Biofuels Institute)</p> <p>ICORES: International Conference on Operations Research and Enterprise Systems</p> <p>IEA: International Energy Agency</p> <p>IGU: International Gas Union</p> <p>IMO-IOPCF: International Oil Pollution Compensation Fund</p> <p>INEM: Instituto Nacional de Emergência Médica (Portuguese National Medical Emergency Institute)</p> <p>INTERTANKO: International Association of Independent Tanker Owners</p> <p>IOGP: The International Association of Oil & Gas Producers</p> <p>IPCG: Instituto Português de Corporate Governance (Portuguese Corporate Governance Institute)</p> <p>IPIECA: Global Oil and Gas Industry Association for Environmental and Social Issues</p> <p>IPQ: Instituto Português da Qualidade (Portuguese Quality Institute)</p> <p>IPSS: Instituições particulares de solidariedade social (private social welfare institutions)</p> <p>IPST: Instituto Português do Sangue e da Transplantação (Portuguese Institute of Blood and Transplants)</p> <p>ISAE: International Standard on Assurance Engagements</p> <p>ISCC: International Sustainability & Carbon Certification</p> <p>ISEGI: Instituto Superior de Estatística e Gestão de Informação (School of Statistics and Information Management)</p> <p>ISPG: Instituto de Petróleo e Gás (Institute of Oil and Gas)</p> <p>ISQ: Instituto de Soldadura e Qualidade (Portuguese Institute of Welding and Quality)</p> <p>IST: Instituto Superior Técnico (Lisbon’s Technical University)</p> <p>ITG: Instituto Tecnológico do Gás (Portugal’s Gas Technology Institute)</p> <p>IUCN: International Union for Conservation of Nature</p> <p>JAP: Junior Achievement Portugal</p> <p>KPI: key performance indicators</p> <p>KRI: key resources indicators</p> <p>KYC: know your counterparty</p> <p>KYT: know your transaction</p>
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LBG: London Benchmarking Group
LNG: liquefied natural gas
LPG: liquefied petroleum gas
LWIFR: lost workday injury frequency rate
MEDEVAC: permanent medical evacuation plan
MIT: Massachusetts Institute of Technology
mmbbl/d: millions barrels per day
mmboe: million barrels of oil equivalent
MSc: Master's of Science
NG: natural gas
NGVA EUROPE: Natural & Bio Gas Vehicle Association
NO_x: nitrogen oxides
O&G: Oil & Gas
OCIMF: Oil Companies International Marine Forum
OECD: Organisation for Economic Co-operation and Development
OPAS: observações preventivas de ambiente e segurança (environment and safety preventive observations)
OPEC: Organisation of the Petroleum Exporting Countries
OU: organisational units
PAC: remedial measure plan
PAM: improvement plan
PNRS: National Solid Waste Policy
p.p.: percentage points
PSI: Portuguese Stock Index
Q2C: Galp Energia's fuels quality assurance programme
QREN: Quadro de Referência Estratégico Nacional (Portuguese National Strategic Reference Framework)
R&D: research and development
R&M: refining and marketing
RAAT: rácio ações em atraso (delayed actions ratio)
RED: European Renewable Energy Directive
RNAE: Associação das Agências de Energia e Ambiente (Portuguese Energy and Environment Agencies Association)
ROI: return on investment
S4G: Supply4Galp
SME: small and medium-sized enterprises
SO₂: sulphur dioxide
SO_x: sulphur oxide
SRMS: Social Responsibility Management System
SWOT: strengths, weaknesses, opportunities, threats
TJ: terajoule

UN: United Nations
UNESCO: United Nations Educational, Scientific and Cultural Organization
UNGC: United Nations Global Compact
USA: United States of America
VOC: volatile organic compounds
WPC: World Petroleum Council

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TEXT REVISION

Caligrama – produção editorial

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