

Sustainable Procurement Policy

Context

Galp carries out global operations in different and highly competitive markets, acquiring goods and services for its entire value chain under commercial relations and partnerships with suppliers and other stakeholders.

Therefore, suppliers' qualification, selection and contracting of is governed not only by compliance with commercial and technical terms & conditions, but also by Galp's Sustainable Procurement Policy compliance, the provisions of its Code of Ethics and Conduct and normative documents, that make it up, among other Galp's relevant policies, as well in acquiescence with the current legislation in the countries where it operates, with the purpose of creating shared value, in a sustained manner.

Galp is committed to cascade its Sustainable Procurement Policy along its supply chain, namely by engaging, suppliers, partners or any other stakeholder, in connection with its procurement and contracting activities, as per Company's positioning here bellow.

Company's position

Principle 1 – Respect for Human Rights and Working Conditions

- Ensure that child labour is not used
- Ensure that forced or coercive labour is not used;
- Allow freedom of association of its workers;
- Forbid any form of discrimination, mistreatment and harassment of its employees;
- Remunerate its employees fairly and equitably, according to their competences, functions and responsibilities and in accordance with current applicable laws, industry standards and collective labor agreements, when applicable;
- Respect the maximum number of weekly working hours, overtime and rest times of its employees in accordance with current applicable laws and collective labor agreements, when applicable;
- Promote a safe and healthy working environment for its employees

Principle 2 – Act with transparency and integrity

- Ensure and be responsible for the security, confidentiality, privacy, and appropriate use of information obtained during the business relationship with the Galp Group companies including after its termination, respecting the provisions of the applicable legislation and contracts concluded with Galp regarding allocation of intellectual property of technologies and know-how;
- Provide its employees with appropriate communication channels so that they can internally report irregularities or illegal practices that have come to their knowledge, which have taken place at its premises or by means of the company's activity, ensuring their anonymity and non-retaliation;
- Ensure compliance with all national and international legislation regarding bribery, corruption, extortion, money laundering, embezzlement, conflicts of interest and anti-competition practices, including but not limited to facilitation payments and receipt of improper gifts;
- Ensure Financial Integrity by maintaining accurate and transparent financial records in accordance with standard accounting practices;
- Cooperate with Galp at on-site audits, providing the resources and documentation necessary to a proper execution;
- Ensure the respect, protection and consultation of the local communities and whenever is possible promote its development in a sustainable way through employment and local investment;
- Promote the public disclosure of relevant sustainability performance information, namely GHG emissions, water and biodiversity risks, among others, having the potential to adversely affect the environment.

Principle 3 – Assume quality as a critical success factor

- Ensure compliance with the agreed contractual and quality requirements;
- Promote continuous improvement in its organization as well in its business partners, in order to increase the efficiency/effectiveness of the performance of its activity;
- Ensure the training of its employees and the dissemination of its policies, procedures and objectives, all along supply chain;
- Develop and adopt management systems (e.g. consistent with ISO) and have mechanisms for the identification, monitoring and mitigation of operational risks;
- Develop conditions for continuous ideas generation and their implementation;
- Ensure quality and sustainability of the supply chain through market best practices, audits and supplier performance evaluation.

Principle 4 – Protection of the environment, people and assets

- Ensure compliance with agreed legal and contractual requirements on health, safety and environment;
- Respect people's privacy and comply with personal data protection laws;
- Ensure an efficient management of energy and resources, promoting, whenever possible, a circular economy, minimizing the negative impact of activities while maximizing their positive impact
- Ensure the correct handling of chemical or toxic products and present all the necessary permits for that purpose;
- Obtain and maintain in force the licenses and certifications required for the exercise of the respective activities.
- Ensure that Cybersecurity Policies and processes defined are effectively implemented, maintained and controlled and Comply with industry and regulatory security standards.

Final statement

Galp is committed to establishing and maintain relationships only with suppliers who respect and act in accordance with the laws, regulations and other rules applicable in the countries in which it operates, but also to the principles set out in this Policy and best practices (e.g UN Universal Declaration of Human Rights and the core conventions of the International Labour Organization (ILO)), throughout its entire value chain, adopting the measures considered appropriate in cases where the ethical and professional conduct of the suppliers and their sub-contractors is questionable.

Suppliers are required to confirm their adherence to this Policy as a part of Galp's Supplier Qualification Process and upon doing so the Suppliers are deemed committed to be compliant. In case of any continuing non-compliance such providers will be held responsible with the ultimate consequence of losing the eligibility to be a supplier to Galp.